

SYLLABUS

Unit I : Market and Marketing: Meaning of Market- evolution-classification- marketing – marketing concepts- Functions of marketing-classification of goods: Consumer goods, Industrial goods- Concept of Consumer Packaged Goods (CPG) - CPG Industry- Global CPG manufactures – Consumer behaviour and CPG- Influencers of CPG.

Market : Meaning, Definition and Features

Meaning of Market:

In common parlance, by market is meant a place where commodities are bought and sold at retail or wholesale prices.

Thus, a market place is thought to be a place consisting of a number of big and small shops, stalls and even hawkers selling various types of goods.

In Economics however, the term “Market” does not refer to a particular place as such but it refers to a market for a commodity or commodities. It refers to an arrangement whereby buyers and sellers come in close contact with each other directly or indirectly to sell and buy goods.

Further, it follows that for the existence of a market, buyers and sellers need not personally meet each other at a particular place. They may contact each other by any means such as a telephone or telex. Thus, the term “Market” is used in economics in a typical and specialised sense. It does not refer only to a fixed location.

It refers to the whole area of operation of demand and supply. Further, it refers to the conditions and commercial relationships facilitating transactions between buyers and sellers. Therefore, a market signifies any arrangement in which the sale and purchase of goods take place.

Definitions of Market:

1. Cournot’s definition – the French economist Cournot defined a market thus “Economists understand by the ‘Market’ not any particular market place in which things are bought and sold but the whole of any region in which buyers and sellers are in such free

intercourse with one another that the prices of the same goods tend to equality, easily and quickly.”

This definition of market brings out the following essential points:

(a) A market may be a region, which may be a district, state, country or even the whole world from which buyers and sellers are drawn and not any particular place where they assemble.

(b) There must be business intercourse among the dealers, i.e., buyers and sellers. They must be in touch with one another, so that they are aware of the prices offered or accepted by other buyers and sellers.

(c) The same price must rule for the same thing at the same time.

Further some more definitions are modern definitions of market are as follows:

2. According to Jevons – “Originally a market was a public place in a town where provision and other objects were exposed for sale, but the word has been generalized so as to mean anybody or persons, who are in intimate business relation and carry on extensive transaction in any commodity.

3. As Chapman has said – “The term market refers not necessarily to a place but always to commodity or commodities and the buyers and sellers of the same who are in direct competition with each other.”

4. According to Prof. Behham – “We must therefore, define a market as any area over which buyers and sellers are in such close touch with one another either directly or through dealers that the prices obtainable in one part of the market affect the prices in other parts.”

From the above definitions following facts may be noted:

1. The existence of a commodity. For example- The market for gold or silver, cotton, wheat and rice etc. Thus, there will be as many markets as are commodities and if there be several types or variance of a commodity, then each type or variety will have a separate market of its own.

2. That there be buyers and sellers who are in touch with one another either through post, telegraph, telephone or through middlemen.

3. That there is perfect competition among buyers and sellers so that through such competition, the price of the commodity in question is influenced.

Features of Market:

Essential characteristics of a market are as follows:

1. One commodity:

In practical life, a market is understood as a place where commodities are bought and sold at retail or wholesale price, but in economics “Market” does not refer to a particular place as such but it refers to a market for a commodity or commodities i.e., a wheat market, a tea market or a gold market and so on.

2. Area:

In economics, market does not refer only to a fixed location. It refers to the whole area or region of operation of demand and supply

3. Buyers and Sellers:

To create a market for a commodity what we need is only a group of potential sellers and potential buyers. They must be present in the market of course at different places.

4. Perfect Competition:

In the market there must be the existence of perfect competition between buyers and sellers. But the opinion of modern economist is that in the market the situation of imperfect competition also exists, therefore, the existence of both is found.

5. Business relationship between Buyers and Sellers:

For a market, there must exist perfect business relationship between buyers and sellers. They may not be physically present in the market, but the business relationship must be carried on.

6. Perfect Knowledge of the Market:

Buyers and sellers must have perfect knowledge of the market regarding the demand of the customers, regarding their habits, tastes, fashions etc.

7. One Price:

One and only one price be in existence in the market which is possible only through perfect competition and not otherwise.

8. Sound Monetary System:

Sound monetary system should be prevalent in the market, it means money exchange system, if possible, be prevalent in the market.

9. Presence of Speculators:

Presence of speculators is essential just to supply business information's and prices prevalent in the market.

With all points written above "one price" system is the true test of the economic market.

EVOLUTION OF MARKET

Marketing has changed over the centuries, decades and years. The production centered system systematically changed into relationship era of today and over the period; the specializations have emerged such as sales versus marketing and advertising versus retailing. The overall evolution of marketing has given rise to the concept of business development. Marketing has taken the modern shape after going through various stages since last the end of 19th century. The Production oriented practice of marketing prior to the twentieth century was conservative and hidebound by rules-of-thumb and lack of information. Science & technology developments and specially the development of information technology have now changed the way people live, the way people do business and the way people sell and purchase. Following is a short summary of the various stages of evolution of marketing.

- **Production Orientation Era:** The prevailing attitude and approach of the production orientation era was -"consumers favor products that are available and highly affordable" . The mantra for marketing success was to "Improve production and distribution". The rule was "availability and affordability is what the customer wants". The era was marked by narrow

product-lines; pricing system based on the costs of production and distribution, limited research, primary aim of the packaging was to protect the product, minimum promotion. Advertising meant, “Promoting products with a lesser quality”.

- **Product Orientation Era:** The attitude changed slowly and approach shifted from production to product and from the quantity to quality. The prevailing attitude of this period was that consumers favor products that offer the most quality, performance and innovative features and the mantra for marketers was ‘A good product will sell itself’, so does not need promotion.
- **Sales Orientation Era:** The increased competition and variety of choices / options available to customers changed the marketing approach and now the attitude was “Consumers will buy products only if the company promotes/ sells these products”. This era indicates rise of advertising and the mantra for marketers was “Creative advertising and selling will overcome consumers’ resistance and convince them to buy”.
- **Marketing Orientation Era:** The shift from production to product and from product to customers later manifested in the Marketing Era which focused on the “needs and wants of the customers” and the mantra of marketers was ” ‘The consumer is king! Find a need and fill it’. The approach is shifted to delivering satisfaction better than competitors are.
- **Relationship Marketing Orientation Era:** This is the modern approach of marketing. Today’s marketer focuses on needs/ wants of target markets and aims at delivering superior value. The mantra of a successful marketer is ‘Long-term relationships with customers and other partners lead to successes

The following sentences summarize the above evolution of marketing.

1. Production era: ‘Cut costs. Profits will take care of themselves’
2. Product era: ‘A good product will sell itself’
3. Sales era: ‘Selling is laying the bait for the customer’
4. Marketing era: ‘The customer is King!’
5. Relationship marketing era: ‘Relationship with customers determine our firm’s future’

CLASSIFICATION OF MARKET

Market refers to a system under which buyers and sellers negotiate the price of a product, settle the price, and transact their business. The buyers and sellers behave differently in different markets and influence the prices of products. Therefore, markets need to be classified on the basis of various factors.

The following points highlight the five main categories for classification of market.

1. On the Basis of Place or Area:

Under this area following markets have been included:

- (i) Local market,

- (ii) Regional market,

- (iii) National market,

- (iv) International market.

(i) Local Market:

When the competition between purchaser and seller is localised and limited at a specific market then it is called Local Market. In this market mostly perishable goods are purchased and sold.

For example:

Sale of vegetable, fish, eggs, milk etc.

(ii) Regional Market:

In this market sale and purchase of articles is localised to state only and not outside the state.

(iii) National Market:

It is that market in which the demand of the goods is in the nation as a whole where you are living.

For example:

Hindi book in India can have national market. Outside India you may not have market of Hindi books.

(iv) International Market:

If the competition of goods is world-wide, the market will be International. Gold and silver are examples of commodities that possess an international market.

2. On the Basis of Time:

On the basis of time Marshall has divided market as under:

(i) Daily or Very short Period Market,

(ii) Short Period Market,

(iii) Long Period Market,

(iv) Secular Market.

(i) Daily or Very Short Period Market:

In daily or short period market the supply of goods is almost stable. Because the supply of goods is stable, therefore the price of goods is determined according to the demand of the goods. If the demand diminishes the price will fall and vice-versa.

For example:

The demand of fish or eggs etc.

(ii) Short Period Market:

Short period market is that in which slight variation can be made regarding the demand for the goods. The demand for the goods can be increased to some extent and if the demand diminishes, it can be reduced.

For example:

The demand of fish or milk or eggs.

(iii) Long Period Market:

If the period is longer, supply will be influenced by the cost of producing additional output; and the predominant influence on value will be the forces of supply. If the demand for goods increases, there is time to increase the supply. Here the price is influenced more by supply of the goods.

(iv) Secular Period:

The secular period is very long. According to Marshall, it is a period of more than ten years in which changes in demand fully adjust themselves to supply. Since it is not possible to estimate the changes in demand due to changes in techniques of production, population, raw-materials i.e., over a very long period therefore Marshall did not analyse pricing under the secular period. Here the supply has upper hand in the determination of price.

3. On the Basis of Competition:

On the basis of competition market has been divided under two heads:

(i) Perfect Market,

(ii) Imperfect Market.

(i) Perfect Market:

A market is said to be perfect when all the potential sellers and buyers are promptly aware of the prices at which transactions take place and all the offers made by other sellers and buyers and when any buyer can purchase from any seller and conversely.

The prevalence of the same price for the same commodity or at the same time is the essential characteristics of a perfect market. Under such a condition, the price of a commodity will tend to be the same. Every quality of the commodity is regarded as a separate commodity.

(ii) Imperfect Market:

A market is said to be imperfect when some buyers or sellers or both are not aware of the offers being made by others. Naturally, therefore, different prices come to prevail for the same commodity at the same time in an imperfect market.

Following are the classification of imperfect market:

- (i) Monopoly,
- (ii) Duopoly,
- (iii) Oligopoly, and
- (iv) Monopsony.

(i) Monopoly:

In monopoly, there is a single producer or seller who controls the market. There are no close substitutes for his product. He controls the supply and he can fix the price. He is the firm and he also constitutes the industry. Thus, under monopoly the distinction between the firm and industry disappears.

In this, the average revenue curve or the demand curve always slopes downwards to the right. Here, there is no need to differentiate products because no close substitutes are available. It is one homogeneous product and completely under the control of the monopolist.

(ii) Duopoly:

In duopoly, there are two sellers, selling either a homogeneous product or a differentiated product. These two sellers enjoy a monopoly in the sale of the product produced by them.

(iii) Oligopoly:

The word 'Oligopoly' is from the Greek words Olig meaning 'a few' and 'poly' meaning 'sellers'. Thus, in oligopoly there are only a few sellers. They may be producing and selling either a homogeneous or a differentiated product. The former is called perfect oligopoly and the latter imperfect or differentiated oligopoly.

For example:

The manufacturer of motor cars by Hindustan Motors (Ambassador car); Premier Automobiles (Fiat cars) and Standard Motor Company (Standard cars).

(iv) Monopsony:

Monopsony refers to a market situation when there is a single buyers of a commodity or service. It applies to any situation in which there is a 'monopoly' element in buying.

For example:

When consumers of a certain commodity are organised or when a certain individual happens to have a taste for some commodity which no one else requires. Professor Liebhafsky has defined monopsony as "the case of a single buyer who is not in competition with any other buyers for the output which he seeks to purchase, and as a situation in which entry into the market by other buyers is impossible."

The analysis of monopsony pricing is similar to that under monopoly pricing. Just as a monopolist is able to influence the price of the product by the amount he offers for sale, similarly, the monopsonist is able to influence the supply price of his purchases by the amount he buys.

Again, the monopolist aims at the maximisation of his profit while the monopsonist aims at the maximisation of his surplus. The monopolist equates his marginal cost with his marginal revenue to maximise his profit. The monopsonist regulates his purchase in such a way that marginal cost equals marginal utility whereby his consumer's surplus is the maximum.

4. On the Basis of Function:

On the basis of function market has been divided under four heads:

They are:

(i) Mixed market,

(ii) Specialized market,

(iii) Sample market, and

(iv) Marketing by Grades.

(i) Mixed Market:

Mixed market is that market where several types of goods are purchased and sold simultaneously. This type of market is mostly found in villages where almost all goods are available at one place. This is also called “General Market”.

(ii) Specialised Market:

Specialised market is that market where only one kind of goods are sold and purchased.

For example:

Only wheat market or clothes market. This type of market is mostly found in Metropolitan Town.

(iii) Sample Market:

Sample market is that where goods are purchased and sold as specimen of any variety of goods. In this market purchaser only sees the specimen of goods and places order for the goods.

For example:

Woolen clothes are purchased by seeing only sample booklets.

(iv) Marketing by Grades:

In this market, goods are purchased and sold according to grades. It means the goods are first classified into various grades as per the quality of the goods. In this market, purchaser has not to see the variety or quality of the goods but purchasers are made according to grades.

5. On the Other Basis:

Under this type market has been divided as:

(i) Fair Market,

(ii) Black Market or Illegal Market.

(i) Fair Market:

In this market the goods are purchased and sold on the price fixed by the government and no other price can be charged by any other seller.

(ii) Black Market or Illegal Market:

In this market the seller charges higher price than the price fixed by the government. This price is taken by seller secretly. This is also known as illegal price or smuggling price.

MARKETING AND CONCEPTS OF MARKETING

Marketing is a socio-economic process and the process of a company associated with buying and selling of goods and services. It includes advertising, selling and distributing products to the people. The main aim of marketing is to meet the needs of society. Marketing is everything that a company does to acquire a customer and maintain the relation with customers.

The communication between a company and the consumer audience that aims to increase the value of the company or its merchandise or, at its simplest, raises the profile of the company and its products in the public mind is called Marketing. In other words, marketing means identifying, anticipating and satisfying customer's need and desires. Marketing can be classified into two aspects: they are a narrow and broad concept where narrow concept refers to the physical

transfer of goods and services from the producer to the consumers and broad concept refers to the functions before production to after sales services which facilitate the transfer of ownership.

TRADITIONAL CONCEPT OF MARKETING

As we know that, traditional concepts of marketing have a narrow approach which emphasizes on the physical environment of economic goals and services. In other words, it can be defined as the transfer of ownership of goods and services through physical distribution. TV spots are just one example of traditional marketing. The concept of the market is product oriented as well as it involves the exchange of goods and services for money.

According to Mitchell – “Marketing includes activities involved in the flow of goods and services from production to consumption.”

According to American Marketing Association – “Marketing is the performance of those business activities that direct the flow of goods and services from producer to consumers or user.”

MODERN CONCEPT OF MARKETING

The broader concept of marketing is related to the satisfaction of needs and wants of a group of customers. It is the performance of business activities that direct the flow of goods and services from the producer to the consumer or user as well as it can also satisfy customers and accomplish organization's objectives so, it is customer oriented marketing which aims at earning profit through customer's satisfaction.

According to American marketing Association, "Marketing is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods, and services to create an exchange that satisfies individual and organizational objectives."

According to Kotler & Armstrong , "Marketing is a social and managerial process by which individuals or companies create value for customers and build strong customers relationships in order to capture value from customers in return."

FUNCTIONS OF MARKETING

Business owners everywhere recognize that if they want to make money, they have to sell their products or services. But what you might not know is that there are actually seven functions of marketing that span everything from distribution to pricing.

Distribution

Distribution is about deciding how you'll get the goods or services you want to sell to the people who want to buy them. Having an idea for a product is great, but if you aren't able to get that product to the customers you aren't going to make money. Distribution can be as easy as setting up shop in the part of a city where your target customers are -- but in an increasingly interconnected world, distribution more often than not now means that you'll need to take your products or services to the customers.

Financing

It takes money to make money. As a business owner, an important function of marketing a product is finding the money through investments, loans, or your personal capital to finance the creation and advertising of your goods or services.

Market Research

Market research is about gathering information concerning your target customers. Who are the people you want to sell to? Why should they buy from you as opposed to a rival business? Answering these questions requires that you do some on-the-ground observation of the market trends and competing products.

Pricing

Setting the correct price for your product or service can be a challenge. If you price it too high, you might lose customers -- but if you price it too low you might be robbing yourself of profits. The "right" price normally comes through trial and error and doing some market research.

Product and Service Management

Once you've determined the target market and set the price of your product or service, the goal becomes to effectively manage the product or service. This involves listening to customers,

responding to their wants and needs, and keeping your products and services fresh and up to date.

Promotion

Most business owners are familiar with the idea of promotion. Advertising your products and services is essential to attracting new customers and keeping existing customers coming back. As the marketplace changes, you'll want to respond appropriately by tailoring your promotion messages to new media (such as Facebook or Twitter), by sticking with more conventional outlets -- or by using a mix of the old and new.

Selling

While we tend to think of selling and marketing as being closely linked, selling is last on the list of the seven functions of marketing. This is because selling can happen only after you've determined the wants and needs of your customer base and are able to respond with the right products at the right price point and time frame.

Classifying Consumer Goods

Consumer products can be classified as convenience, shopping, or specialty goods.

Classifying Consumer Products

A classification long used in marketing separates products targeted at consumers into three groups:

1. Convenience
2. Shopping
3. And specialty

Convenience Goods

A convenience good is one that requires a minimum amount of effort on the part of the consumer. Extensive distribution is the primary marketing strategy. The product must be available in every conceivable outlet and must be easily accessible in these outlets. Vending machines typically dispense convenience goods, as do automatic teller machines. These products are usually of low unit value, they are highly standardized, and, frequently, they are nationally advertised. Yet, the key is to convince resellers (i.e., wholesalers and retailers) to carry the product. If the product is not available when, where, and in a form desirable by the consumer, the convenience product will fail. From the consumer's perspective, little time, planning, or effort go into buying convenience goods. Consequently, marketers must establish a high level of brand awareness and recognition. This is accomplished through extensive mass advertising; sales promotion devices, such as coupons and point-of-purchase displays; and effective packaging. The fact that many of our product purchases are often on impulse is evidence that these strategies work. Availability is also important. Consumers have come to expect a wide spectrum of products to be conveniently located at their local supermarkets, ranging from packaged goods used daily (e.g., bread and soft drinks) to products purchased rarely or in an emergency, such as snow shovels, carpet cleaners, and flowers.

Convenience Goods: Convenience goods are typically found in convenience stores, such as the one pictured here.

Shopping Goods

In contrast, consumers want to be able to compare products categorized as shopping goods. Automobiles, appliances, furniture, and homes are in this group. Shoppers are willing to go to some lengths to compare values, and, therefore, these goods need not be distributed so widely. Although many shopping goods are nationally advertised, often, it is the ability of the retailer to differentiate itself that creates the sale. The differentiation could be equated with a strong brand name, such as Sears Roebuck, effective merchandising, aggressive personal selling, or the

availability of credit. Discounting, or promotional price -cutting, is a characteristic of many shopping goods because of retailers' desire to provide attractive shopping values. In the end, product turn over is slower, and retailers have a great deal of their capital tied-up in inventory. This, combined with the necessity to price discount and provide exceptional service, means that retailers expect strong support from manufacturers with shopping goods.

Specialty Goods

Specialty goods represent the third product classification. From the consumer's perspective, these products are so unique that they will go to any lengths to seek out and purchase them. Almost without exception, price is not a principle factor affecting the sales of specialty goods. Although these products may be custom-made (e.g., a hairpiece) or one-of-a-kind (e.g., a statue), it is also possible that the marketer has been very successful in differentiating the product in the mind of the consumer. Crisco shortening, for instance, may be a unique product in the mind of a consumer, and the consumer would pay any price for it. Such a consumer would not accept a substitute and would be willing to go to another store or put off their pie baking until the product arrives. Another example might be the strong attachment some people feel toward a particular hair stylist or barber. A person may wait a long time for that individual and might even move with that person to another hair salon. It is generally desirable for a marketer to lift the product from the shopping to the specialty class. With the exception of price cutting, the entire range of marketing activities are required to accomplish this goal.

Classifying Business Products

Business products are goods or services that are sold to other businesses rather than to end-consumers.

Although consumer products are more familiar to most individuals, business and industrial goods represent very important product categories as well. In the case of some manufacturers, business products are their entire focus. Industrial products can either be categorized from the perspective of the producer and how they shop for the product, or the perspective of the manufacturer and

how they are produced and how much they cost. The latter criteria offers a more insightful classification for industrial products.

Forests, mines, and quarries provide extractive products to producers. Although there are some farm products that are ready for consumption when they leave the farm, most farm and other extractive products require some processing before purchase by the consumer. A useful way to divide extractive products is into farm products and natural products, since they are marketed in slightly different ways.

Extractive Products: Quarries are examples of business that provide extractive products for other businesses.

Manufactured products are those that have undergone some processing. The demands for manufactured industrial goods are usually derived from the demands for ultimate consumer goods. There are a number of specific types of manufactured industrial goods.

Semi-manufactured goods are raw materials that have received some processing but require more before they are useful to the purchaser. Lumber and crude oil are examples of these types of products. Since these products tend to be standardized, there is a strong emphasis on price and vendor reliability.

Parts are manufactured items that are ready to be incorporated into other products. For instance, the motors that go into lawn mowers and steering wheels on new cars are carefully assembled when they arrive at the manufacturing plant. Since products such as these are usually ordered well in advance and in large quantities, price and service are the two most important marketing considerations.

Process machinery (sometimes called installations) refers to major pieces of equipment used in the manufacture of other goods. This category would include the physical plant of a manufacturer (boilers, lathes, blast furnaces, elevators, and conveyor systems). The marketing

process would incorporate the efforts of a professional sales force, supported by engineers and technicians, and a tremendous amount of personalized service.

Equipment is made up of portable factory equipment (e.g., fork lift trucks, fire extinguishers) and office equipment (e.g., computers, copier machines). Although these products do not contribute directly to the physical product, they do aid in the production process. These products may be sold directly from the manufacturer to the user, or a middleman can be used in geographically dispersed markets. The marketing strategy employs a wide range of activities, including product quality and features, price, service, vendor deals, and promotion.

Supplies and service do not enter the finished product at all, but are nevertheless consumed in conjunction with making the product. Supplies would include paper, pencils, brooms, soap, etc. These products are normally purchased as convenience products with a minimum of effort and evaluation. Business services include maintenance (e.g., office cleaning), repairs (e.g., plumbing), and advisory (e.g., legal). Because the need for services tends to be unpredictable, they are often contracted for a relatively long period of time.

Marketing Classes of Products

Products can be classified based on consumer versus industrial goods and goods versus services.

The two most commonly used methods of classifying products are: (1) Consumer goods versus industrial goods, and (2) goods products (i.e., durables and non-durables) versus service products.

Consumer Goods and Industrial Goods

The traditional classification of products is to dichotomize all products as being either consumer goods or industrial goods. When we purchase products for our own consumption with no intention of selling these products to others, we are referring to consumer goods. Conversely, industrial goods are purchased by an individual or an organization in order to modify them or

simply distribute them to the ultimate consumer in order to make a profit or meet some other objective.

Olympus Camera: This Olympus camera is considered to be a consumer good.

Classification of Consumer Goods

A classification long used in marketing separates products targeted at consumers into three groups: (1) Convenience goods, (2) shopping goods and (3) specialty goods.

A *convenience good* is one that requires a minimum amount of effort on the part of the consumer. Extensive distribution is the primary marketing strategy. The product must be available in every conceivable outlet and must be easily accessible in these outlets. These products are usually of low unit value, they are highly standardized, and frequently they are nationally advertised.

Consumers desire to compare products categorized as *shopping goods*. Automobiles, appliances, furniture, and homes are in this group. Shoppers are willing to go to some lengths to compare values; therefore, these goods need not be distributed so widely. Although many shopping goods are nationally advertised, often it is the ability of the retailer to differentiate itself that creates the sale. Discounting, or promotional price -cutting, is a characteristic of many shopping goods because of retailers' desire to provide attractive shopping values.

Specialty goods represent the third product classification. From the consumer's perspective, these products are so unique that they will go to any lengths to seek out and purchase them. Almost without exception, price is not a principle factor affecting the sales of specialty goods.

Classification of Industrial Goods

Although consumer products are more familiar to most readers, industrial goods represent a very important product category. For some manufacturers, industrial goods are the only product sold.

The methods of industrial marketing are somewhat more specialized. Industrial products can either be categorized from the perspective of the producer and how they shop for the product, or the perspective of the manufacturer and how they are produced and how much they cost. The latter criteria offers a more insightful classification for industrial products.

Forests, mines, and quarries provide *extractive products* to producers. Most extractive products require some processing before purchase by the consumer. *Manufactured products* are those that have undergone some processing. The demand for manufactured industrial goods are usually derived from the demand for ultimate consumer goods.

Goods Versus Services

Service products are reflected by a wide variety of industries—utilities, barbers, travel agencies, health spas, consulting firms, medical facilities and banks are but a few. They account for nearly 50 percent of the average consumer's total expenditures and 70 percent of jobs. Like goods products, service products are quite heterogeneous. Nevertheless, there are several characteristics that are generalized to service products.

Intangible: With the purchase of a good, one has something that can be seen, touched, tasted, worn or displayed. This is not true with a service. Although one pays money and consumes the service, there is nothing tangible to show for it.

Simultaneous Production and Consumption: Service products are characterized as those that are being consumed at the same time they are being produced. In contrast, goods products are produced, stored, and then consumed. A result of this characteristic is that the provider of the service is often present when consumption takes place.

Little Standardization: Because service products are so closely related to the people providing the service, ensuring the same level of satisfaction from time to time is quite difficult.

High Buyer Involvement: With many service products, the purchaser may provide a great deal of input into the final form of the product. For example, in the case of a cruise, a good travel agent would provide a large selection of brochures and pamphlets describing the various cruise locations, options provided in terms of cabin location and size, islands visited, food, entertainment, prices, and whether there are facilities for children.

It should be noted that these four characteristics associated with service products vary in intensity from product to product. In fact, service products are best viewed as being on a continuum in respect to these four characteristics.

CONSUMER PACKAGED GOODS (CPG)

Consumer packaged goods (CPG) are a type of goods consumed every day by the average consumer. The goods that comprise this category are ones that need to be replaced frequently, compared to those that are usable for extended periods of time. While CPGs represent a market that will always have consumers, it is highly competitive due to high market saturation and low consumer switching costs.

The CPG industry is one of the largest in North America, valued at approximately \$2 trillion. Although growth has slowed in this industry, companies that provide CPGs still benefit from large margins and strong balance sheets.

Some basic examples of CPGs are food and beverages, clothing, tobacco, and household products.

Companies that sell CPGs often face stiff competition. Shelf placement, brand recognition and mass advertising can greatly influence sales of CPGs. Some of the best-known CPG companies include Coca-Cola, Procter & Gamble and L'Oréal.

Consumer Packaged Goods vs. Durable Goods

CPGs generally have a short lifespan. They are intended to be used quickly and are often sold at a relatively low cost. As the name implies, they usually come in some form of packaging that can be displayed on the shelves of retail businesses.

Cosmetics are one type of CPGs. Like most CPGs, they typically have a limited shelf life; the product deteriorates over time or if exposed to extreme temperature fluctuations. Sold in individual packages at fairly low prices, consumers use products such as lipsticks, foundation, blush and eyeshadow on a daily basis, requiring frequent replenishment. After using the product, the consumer either discards or recycles the packaging.

Frozen dinners offer another example of CPG. These perishable items are often purchased every few days for immediate use. The purchase requires little deliberation on the part of the consumer. Sold at retailers across the globe, they have high volume sales.

Durable goods, on the other hand, are intended to last for several years. In contrast to some kinds of CPGs, durable goods do not deteriorate quickly and are expected to remain in relatively good condition while being used over an extended period of time.

An automobile is an example of a durable good. The purchase typically requires considerable thought and comparison shopping, since it represents a significant financial investment. The buyer of a new car usually expects to drive his vehicle for several years with few maintenance problems.

Economic slumps are often accompanied by flagging sales in durable goods industries. When the financial future is uncertain, consumers are reluctant to spend large sums of money on durable goods, especially if they already own an older version of the product. A family might, for example, decide to hold on to an outmoded washing machine instead of upgrading to a newer model in times of economic stress. In contrast, CPG companies that sell staples such as bread or other basic food products are less affected by market fluctuations.

Consumer Behaviour: Meaning/Definition and Nature of Consumer Behaviour

Meaning and Definition:

Consumer behaviour is the study of how individual customers, groups or organizations select, buy, use, and dispose ideas, goods, and services to satisfy their needs and wants. It refers to the actions of the consumers in the marketplace and the underlying motives for those actions.

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 study of consumer behaviour assumes that the consumers are actors in the marketplace. The perspective of role theory assumes that consumers play various roles in the marketplace. Starting from the information provider, from the user to the payer and to the disposer, consumers play these roles in the decision process.

The roles also vary in different consumption situations; for example, a mother plays the role of an influencer in a child's purchase process, whereas she plays the role of a disposer for the products consumed by the family.

Some selected definitions of consumer behaviour are as follows:

1. According to Engel, Blackwell, and Mansard, 'consumer behaviour is the actions and decision processes of people who purchase goods and services for personal consumption'.
2. According to Loudon and Bitta, 'consumer behaviour is the decision process and physical activity, which individuals engage in when evaluating, acquiring, using or disposing of goods and services'.

Nature of Consumer Behaviour:

1. Influenced by various factors:

The various factors that influence the 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—caste and sub-castes.

2. Undergoes a constant change:

Consumer behaviour is not static. It undergoes a change over a period of time depending on the nature of products. For example, kids prefer colourful and fancy footwear, but as they grow up as teenagers and young adults, they prefer trendy footwear, and as middle-aged and senior citizens they prefer more sober footwear. The change in buying behaviour may take place due to several other factors such as increase in income level, education level and marketing factors.

3. Varies from consumer to consumer:

All consumers do not behave in the same manner. Different consumers behave differently. The differences in consumer behaviour are due to individual factors such as the nature of the consumers, lifestyle and culture. For example, some consumers are technoholics. They go on a shopping and spend beyond their means.

They borrow money from friends, relatives, banks, and at times even adopt unethical means to spend on shopping of advance technologies. But there are other consumers who, despite having

surplus money, do not go even for the regular purchases and avoid use and purchase of advance technologies.

4. Varies from region to region and country to county:

The consumer behaviour varies across states, regions and countries. For example, the behaviour of the urban consumers is different from that of the rural consumers. A good number of rural consumers are conservative in their buying behaviours.

The rich rural consumers may think twice to spend on luxuries despite having sufficient funds, whereas the urban consumers may even take bank loans to buy luxury items such as cars and household appliances. The consumer behaviour may also varies across the states, regions and countries. It may differ depending on the upbringing, lifestyles and level of development.

5. Information on consumer behaviour is important to the marketers:

Marketers need to have a good knowledge of the consumer behaviour. They need to study the various factors that influence the consumer behaviour of their target customers.

The knowledge of consumer behaviour enables them to take appropriate marketing decisions in respect of the following factors:

- a. Product design/model
- b. Pricing of the product
- c. Promotion of the product
- d. Packaging
- e. Positioning

f. Place of distribution

6. Leads to purchase decision:

A positive consumer behaviour leads to a purchase decision. A consumer may take the decision of buying a product on the basis of different buying motives. The purchase decision leads to higher demand, and the sales of the marketers increase. Therefore, marketers need to influence consumer behaviour to increase their purchases.

7. Varies from product to product:

Consumer behaviour is different for different products. There are some consumers who may buy more quantity of certain items and very low or no quantity of other items. For example, teenagers may spend heavily on products such as cell phones and branded wears for snob appeal, but may not spend on general and academic reading. A middle- aged person may spend less on clothing, but may invest money in savings, insurance schemes, pension schemes, and so on.

8. Improves standard of living:

The buying behaviour of the consumers may lead to higher standard of living. The more a person buys the goods and services, the higher is the standard of living. But if a person spends less on goods and services, despite having a good income, they deprives themselves of higher standard of living.

9. Reflects status:

The consumer behaviour is not only influenced by the status of a consumer, but it also reflects it. The consumers who own luxury cars, watches and other items are considered belonging to a higher status. The luxury items also give a sense of pride to the owners.

Possible Questions

Part A (online Exam)

Part B - 2 mark questions

1. What is Market?
2. Define marketing.
3. Explain consumer goods with suitable examples.
4. What do you mean by industrial goods?
5. Explain Influencers in CPG.
6. What is CPG? With example.
7. What is Industrial Good?
8. What are the types of goods?
9. Write any two functions of Marketing.
10. Write a short note on evolution of marketing.

Part C- 8 marks

1. Explain evolution of Market
2. What are the different classifications of market?
3. What are the various functions of marketing?
4. Enumerate classification of goods with examples.

5. Define Consumer behaviour and factors influencing consumer behavior.
6. Explain consumer goods and its features with suitable example.
7. Explain Industrial goods and its features with suitable example.
8. Write a short note on concept of Consumer packed goods.
9. CPG Industry is fast growing in retail business- Discuss.
10. Enumerate the importance of marketing in CPG Industry.

S.no`	Question	Option A	Option B	Option C	Option D		Answer
1	Good marketing is no accident, but a result of careful planning and _____.	execution	selling	strategies	research		execution
2	Marketing management is _____.	managing the marketing process	monitoring the profitability of the company's products and services	the art and science of choosing target markets and getting, keeping, and growing customers through creating, delivering, and communicating superior customer value	developing marketing strategies to move the company forward		the art and science of choosing target markets and getting, keeping, and growing customers through creating, delivering, and communicating superior customer value
3	Chimney Sweeps employs people to clean fireplaces and chimneys in homes and apartments. The firm is primarily the marketer of which one of the following?	An image	A service	A good	An idea		A service
4	Marketers often use the term _____ to cover various groupings of customers	people	buying power	demographic segment	market		market
5	The _____ concept holds that consumers and businesses, if left alone,	production	selling	marketing	holistic marketing		selling

	will ordinarily not buy enough of the organization's products					
6	Which of the following would be the best illustration of a subculture?	A religion	A group of close friends	Your university	Your occupation	A religion
7	The buying process starts when the buyer recognizes a _____.	Product	an advertisement for the product	a salesperson from a previous visit	problem or need	problem or need
8	If actual performance exceeds the expected performance of the product, Then customer is _____	Satisfied	Dissatisfied	Delighted	Neutral	Delighted
9	Bread and milk are which kind of products?	Specialty Products	Convenience products	Shopping products	Unsought products	Convenience products
10	Parents buy toys for their children act as _____ in the buying process.	Decider	Buyer	Maintainer	All of the above	All of the above
11	If a firm is practicing _____, the firm is training and effectively motivating its customer-contact employees and all of the supporting service people to work as a team to provide customer satisfaction.	double-up marketing	interactive marketing	service marketing	internal marketing	internal marketing
12	A cluster of	Market place	Meta market	Market space	Resource	Meta market

	complementary goods and services across diverse set of industries is called as				Market	
13	Adding new features to a product is advocated by which of the approaches?	Product Approach	Production Approach	Marketing Approach	Selling Approach	Product Approach
14	One of the key tasks of marketers is _____ and to create consumer perceptions that the product is worth purchasing.	To make products easily visible and available	To promote sales of products	To differentiate their products from those of competitors	To do marketing surveys	To differentiate their products from those of competitors
15	What is the last stage of the consumer decision process?	problem recognition	post purchase behavior	alternative evaluation	purchase	post purchase behavior
16	_____ markets are made up of members of the distribution chain.	Consumer	Business-to-business (industrial)	Channel	Institutional	Channel
17	Which of the following is considered a “key player” in the marketing industry?	marketer	suppliers or vendors	distributors or retailers	all of the above	all of the above
18	_____ is the most visible part of the marketing strategy of an organization	Marketing Mix	Product Mix	Price Mix	Promotion mis	Marketing Mix
19	Businesses spend most of their advertising rupees on _____ markets	Business to Business	open	closed	All of the above	Business to Business
20	A transaction in which the organization is making an	Straight rebuy purchase	Delayed purchase	New-task purchase	Modified rebuy purchase	New-task purchase

	initial purchase of an item to be used to perform a new job refers to which of the following purchases?					
21	_____ markets include a wide variety of profit and nonprofit organizations, such as hospitals, government agencies, and schools, which provide goods and services for the benefit of society.	Consumer	Business-to-business (Industrial)	Reseller	Institutional	Institutional
22	Which of the following is NOT considered a type of reseller?	wholesaler	retailer	manufacturer	distributor	manufacturer
23	The promotion "P" of marketing is also known as _____.	Product Differentiation	Distribution	Cost	Marketing Communication	Marketing Communication
24	When a company distributes its products through a channel structure that includes one or more resellers, this is known as _____.	Indirect marketing	direct marketing	multi-level marketing	integrated marketing	Indirect marketing
25	In marketing theory, every contribution from the supply chain adds _____ to the product.	value	costs	convenience	ingredients	value
26	Institutional markets consist of people who buy products and services for _____ use.	personal	Private	Industrial	Institutional	personal

27	Listing alternatives that will solve the problem at hand and determining the characteristics of each occurs during which stage of the final consumer's decision process?	Information search	Purchase	Evaluation of alternatives	Post purchase	Evaluation of alternatives
28	The act of trading a desired product or service to receive something of value in return is known as which key concept in marketing?	product	exchange	production	customer	exchange
29	The most basic level of a product is called the:	core product.	central product.	fundamental product.	augmented product.	core product.
30	Anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or need is called a(n):	idea	demand	product	service	product
31	In _____ consumers may share a strong need that cannot be satisfied by an existing product.	negative demand	latent demand	declining demand	irregular demand	latent demand
32	Marketing is both an "art" and a "science" there is constant tension between the formulated side of marketing and the _____ side.	creative	selling	management	behavior	creative
33	Mr. Lopez buys goods and services for use in the	consumer buying	post-purchase dissonance	retail buyer behavior	business buyer behavior	business buyer behavior

	production of products that are sold and supplied to others. Mr. Lopez is involved in _____.	behavior				
34	The four unique elements to services include:	Independence, intangibility, inventory, and inception	Independence, increase, inventory, and intangibility	Intangibility, inconsistency, inseparability, and inventory	Intangibility, independence, inseparability, and inventory	Intangibility, inconsistency, inseparability, and inventory
35	_____ products usually have intensive distribution because sales of these products tend to have a direct relationship to availability.	Convenience	Multiple	Shopping products	Unsought products	Convenience
36	The _____ holds that the organization's task is to determine the needs, wants, and interests of target markets and to deliver the desired satisfactions more effectively and efficiently than competitors in a way that preserves or enhances the consumer's and the society's well-being.	customer-centered business	focused business model	societal marketing concept	ethically responsible marketing	societal marketing concept
37	A change in an individual's behavior prompted by information and experience refers to which one of the	Learning	Role selection	Perception	Motivation	Learning

	following concept?					
38	Holistic marketers achieve profitable growth by expanding customer share, _____, and capturing customer lifetime value.	undermining competitive competencies	building customer loyalty	milking the market for product desires	renewing a customer base	building customer loyalty
39	_____ pricing is the approach of setting a low initial price in order to attract a large number of buyers quickly and win a large market share.	Market-skimming	Value-based	Market-penetration	Leader	Market-penetration
40	While buying milk which kind of behaviour is displayed by a person?	Extensive problem solving behaviour	Routinized buying behaviour	Variety seeking behaviour	None of the above	Routinized buying behaviour
41	_____ markets include a wide variety of profit and nonprofit organizations, such as hospitals, government agencies, and schools, which provide goods and services for the benefit of society.	Consumer	Business-to-business (Industrial)	Reseller	Institutional	Institutional
42	Which of the following is NOT considered a type of reseller?	wholesaler	retailer	manufacturer	distributor	manufacturer
43	The promotion "P" of marketing is also known as _____.	Product Differentiation	Distribution	Cost	Marketing Communication	Marketing Communication

44	When a company distributes its products through a channel structure that includes one or more resellers, this is known as _____.	indirect marketing	direct marketing	multi-level marketing	integrated marketing	indirect marketing
45	In marketing theory, every contribution from the supply chain adds _____ to the product.	value	costs	convenience	ingredients	value
46	Listing alternatives that will solve the problem at hand and determining the characteristics of each occurs during which stage of the final consumer's decision process?	Information search	Purchase	Evaluation of alternatives	Post purchase	Evaluation of alternatives
47	The act of trading a desired product or service to receive something of value in return is known as which key concept in marketing?	product	exchange	production	customer	exchange
48	The most basic level of a product is called the:	core product.	central product.	fundamental product.	augmented product.	core product.
49	Anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or need is called a(n):	idea	demand	product	service.	product
50	In _____ consumers may share a strong need	negative demand	latent demand	declining demand	irregular demand	latent demand

	that cannot be satisfied by an existing product.					
51	Marketing is both an “art” and a “science” there is constant tension between the formulated side of marketing and the _____ side.	Creative	selling	management	behavior	Creative
52	Mr. Lopez buys goods and services for use in the production of products that are sold and supplied to others. Mr. Lopez is involved in _____.	consumer buying behavior	post-purchase dissonance	retail buyer behavior	business buyer behavior	business buyer behavior
53	The four unique elements to services include:	Independence, intangibility, inventory, and inception	Independence, increase, inventory, and intangibility	Intangibility, inconsistency, inseparability, and inventory	Intangibility, independence, inseparability, and inventory	Intangibility, inconsistency, inseparability, and inventory
54	The _____ holds that the organization’s task is to determine the needs, wants, and interests of target markets and to deliver the desired satisfactions more effectively and efficiently than competitors in a way that preserves or enhances the consumer’s and the society’s well-being.	customer-centered business	focused business model	societal marketing concept	ethically responsible marketing	societal marketing concept
55	A change in an individual's behavior	Learning	Role selection	Perception	Motivation	Learning

	prompted by information and experience refers to which one of the following concept?						
56	Holistic marketers achieve profitable growth by expanding customer share, _____, and capturing customer lifetime value.	undermining competitive competencies	milking the market for product desires	renewing a customer base	building customer loyalty		building customer loyalty
57	_____ pricing is the approach of setting a low initial price in order to attract a large number of buyers quickly and win a large market share.	Market-skimming	Value-based	Market-penetration	Leader		Market-penetration
58	While buying milk which kind of behaviour is displayed by a person?	Extensive problem solving behaviour	Routinized buying behaviour	Variety seeking behaviour			Routinized buying behaviour
59	Whether to sell via intermediaries or directly to consumers, how many outlets to sell through, and whether to control or cooperate with other channel members are examples of decisions marketers must make about	Promotion	Price	Distribution	Product		Distribution
60	The extended Ps of service marketing mix are :	Physical Environment, Process,	People, Product, Place	Price Physical Evidence, Promotion	Product, Process, Physical		Physical Environment, Process, People

		People			Environment	
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Syllabus

Marketing Mix- Product-features- classification – product planning – product mix- new product development- product life cycle- pricing- factors affecting pricing decisions – types of pricing strategies- place- supply chain management – elements- promotion: branding – private labels- advertising- media vehicles- market research and 4 p's.

Marketing Mix

Definition: Marketing Mix

The marketing mix refers to the set of actions, or tactics, that a company uses to promote its brand or product in the market. Marketing Mix is a tool which a marketer uses to formulate a product/service offer for customers. Marketing mix is done using the 4Ps of marketing - **Product, Place, Price, Promotion** and 7Ps in case of service- **Physical Evidence, People, Process**. The term Marketing Mix is attributed to Neil Bordon. The term is named marketing mix because it suggest how a marketer mixes various elements (Product, Price, Place, Promotion etc) in order to make a relevant/just right offering to the customer. The main objective of marketing mix strategy is to make the right product at correct price at the right place with right promotion.

Price

Price is the amount the consumer must exchange to receive the offering .

Solomon et al (2009).

This is the amount the consumer is expected to pay for using the product. The pricing of a product will impact greatly how the product sells in the market. Basically, it's the perceived value of any product to a customer rather than placing any price on it and expecting it to sell. In most cases, if the product is priced according to customer value, it might even sell higher than its obvious value. On the other hand, if the product is undervalued by the customers, the price needs to be lower for the product to sell. Other factors that affect the overall price of a product include value chain costs, markups, distribution plans and also competitor pricing.

The company's goal in terms of price is really to reduce costs through improving manufacturing and efficiency, and most importantly the marketer needs to increase the perceived value of the benefits of its products and services to the buyer or consumer. There are many ways to price a product. Let's have a look at some of them and try to understand the best policy/strategy in various situations.

Place

Place includes company activities that make the product available to target consumers.

Kotler and Armstrong (2010).

This refers to how the product is available to the end consumer. A key element of placement is distribution of the product. A good placement strategy will help you assess the most appropriate channel to be used for the product. Depending on how a customer accesses the product, it will also determine the entire marketing strategy.

Place is also known as channel, distribution, or intermediary. It is the mechanism through which goods and/or services are moved from the manufacturer/ service provider to the user or consumer.



The Marketing Mix

Product

Product means the goods-and-services combination the company offers to the target market.

Kotler and Armstrong (2010).

This is either a service or a good that has been manufactured to meet specific customer needs or demands. During development, products follow through a specific lifecycle and that's why it's important for marketers to plan for the product every step of the way. This starts by understanding what sort of problem the product is trying to solve. The potential and target customers need to be identified and understood perfectly in order for the product to succeed.

For many a product is simply the tangible, physical item that we buy or sell. You can also think of the product as intangible i.e. a service.

In order to actively explore the nature of a product further, let's consider it as three different products – the CORE product, the ACTUAL product, and finally the AUGMENTED product.

The Product Life Cycle (PLC) is based upon the biological life cycle. For example, a seed is planted (introduction); it begins to sprout (growth); it shoots out leaves and puts down roots as it becomes an adult (maturity); after a long period as an adult the plant begins to shrink and die out (decline).

The Customer Life Cycle (CLC) has obvious similarities with the Product Life Cycle (PLC). However, CLC focuses upon the creation and delivery of lifetime value to the customer i.e. looks at the products or services that customers NEED throughout their lives.

Promotion

Promotion includes all of the activities marketers undertake to inform consumers about their products and to encourage potential customers to buy these products.

Solomon et al (2009).

This involves all the marketing techniques and strategies out there. These include sales promotions, advertising, public relations, special offers etc. Every marketing channel used needs to be suitable for the product, the price of the product as well as the consumer the product is being marketed to. Basically, promotion is the communication part involved in the whole marketing equation.

Promotion includes all of the tools available to the marketer for marketing communication. As with Neil H. Borden's marketing mix, marketing communications has its own promotions mix. Whilst there is no absolute agreement on the specific content of a marketing communications mix, there are many promotions elements that are often included such as sales, advertising, sales promotion, public relations, direct marketing, online communications and personal selling.

Product: Definition, Features and Types

Product is one of the important elements of marketing mix. A marketer can satisfy consumer needs and wants through product. A product consists of both good and service. Decisions on all other elements of marketing mix depend on product. For example, price is set for the product; promotional efforts are directed to sell the product; and distribution network is prepared for the product. Product is in the center of marketing programme. Therefore, product has a major role in determining overall success of marketing efforts.

A marketer tries to produce and sell such products that satisfy needs and wants of the target market. Other words used for product are good, commodity, service, article, or object. In marketing literature, product has comprehensive meaning.

Definitions of Product:

Term product has been variously defined by the experts in the field.

Let us examine some standard definitions:

1. Philip Kotler:

“Product is anything that can be offered to someone to satisfy a need or a want.”

2. William Stanton:

“Product is complex of tangible and intangible attributes, including packaging, colour, price, prestige, and services, that satisfy needs and wants of people.”

3. W. Alderson:

“Product is a bundle of utilities, consisting of various product features and accompanying services.”

4. We can also define the term as:

Product is a vehicle or medium that delivers service to customers.

5. Further it can be said:

Product is a bundle of benefits-physical and psychological- that marketer wants to offer, or a bundle of expectations that consumers want to fulfill. Marketer can satisfy needs and wants of target consumers by products. Product includes both good and service. Normally, product is taken as a tangible object, such as a pen, television set, bread, book, vehicle, table, etc. But, tangible product is a package of services or benefits.

Marketer should consider product benefits and services, instead of product itself. Importance lies in the services rendered by the product, and not tangible object itself. People are not interested just possessing products, but the services rendered by the products.

For examples, we do not buy a pen, but writing service. Similarly, we do not buy a car, but transportation service. Just owning product is not enough. It must serve our need and want. Thus, physical product is just a vehicle or medium that offer services, benefits, and satisfaction to us.

Product can also be referred as a bundle of satisfaction, physical and psychological both.

Product includes:

1. Core Product:

Core product includes basic contents, benefits, qualities, or utilities.

2. Product-related Features:

They include colour, branding, packing, labeling, and varieties.

3. Product-related Services:

They include after-sales services, installation, guarantee and warranty, free home delivery, free repairing, and so forth. As per the definition, anything which can satisfy need and want of consumers is a product. Thus, product may be in form of physical object, person, idea, activity, or organisation that can provide any kind of services that satisfy some customer needs or wants.

Product Dimensions:

Different people view product differently. Similarly, their expectations are different. The different views or ways to see or perceive the product can be said as product dimensions.

There are three dimensions, as stated below:

Managerial Dimension:

According to management, a product is viewed as the total product. It includes all those tangible and non-tangible aspects that management wants to offer. Managerial dimension of product covers mainly core products, product-related features, and product-related services.

Consumer Dimension:

To consumers, a product is a bundle of expectations. They view product as a source of expectations or satisfaction. Thus, for consumer, total benefits received from product are important. This view is very important for a marketer.

Social Dimension:

Society considers the product as a source of long-term welfare of people. Society expects high standard of living, safety, protection of environment, and peace in society.

Characteristics of Product:

Careful analysis of concept of product essentially reveals following features:

1. Product is one of the elements of marketing mix or programme.

2. Different people perceive it differently. Management, society, and consumers have different expectations.
3. Product includes both good and service.
4. Marketer can actualize its goals by producing, selling, improving, and modifying the product.
5. Product is a base for entire marketing programme.
6. In marketing terminology, product means a complete product that can be sold to consumers. That means branding, labeling, colour, services, etc., constitute the product.
7. Product includes total offers, including main qualities, features, and services.
8. It includes tangible and non-tangible features or benefits.
9. It is a vehicle or medium to offer benefits and satisfaction to consumers.
10. Important lies in services rendered by the product, and not ownership of product. People buy services, and not the physical object.

Types of Product:

A company sells different products (goods and services) to its target market.

They can be classified into two groups, such as:

1. Consumer Product, and
2. Industrial Products

1. Consumer Products:

Consumer products are those items which are used by ultimate consumers or households and they can be used without further commercial and engineering processes.

Consumer products can be divided into four types as under:

Classifying products into meaningful categories helps marketers decide which strategies and methods will help promote a business's product or service. Many types of classification exist. For example, marketers might categorize products by how often they are used. One-time-use products, such as vacation packages, require completely different marketing strategies than products customers use repeatedly, such as bicycles. Product classification helps a business design and execute an effective marketing plan.

Considerations

The key is to categorize your products in ways that make sense for your business. This allows you to, for example, design separate marketing campaigns for each category of product you offer. The alternative -- using a one-size-fits-all marketing plan -- is often less effective than implementing several highly targeted plans. No simple recipe exists for categorizing products and services, but there are some common product classifications in marketing: convenience, shopping, specialty and unsought products, according to "The Advanced Dictionary of Marketing," by Scott Dacko.

i. Convenience Products

Convenience products involve items that don't require much customer effort or forethought. Food staples often fall into this category, because customers can buy them nearly everywhere and at roughly the same prices. Marketing convenience products can be a challenge if there are many similar products competing for the customer's attention and driving down the price.

Such products improve or enhance users' convenience. They are used in a day-to-day life. They are frequently required and can be easily purchased. For example, soaps, biscuits, toothpaste, razors and shaving creams, newspapers, etc. They are purchased spontaneously, without much consideration, from nearby shops or retail malls.

ii. Shopping Products:

These products require special time and shopping efforts. They are purchased purposefully from special shops or markets. Quality, price, brand, fashion, style, getup, colour, etc., are important

criteria to be considered. They are to be chosen among various alternatives or varieties. Gold and jewellerys, footwear, clothes, and other durables (including refrigerator, television, wrist washes, etc.).

iii. Durable Products:

Durable products can last for a longer period and can be repeatedly used by one or more persons. Television, computer, refrigerator, fans, electric irons, vehicles, etc., are examples of durable products. Brand, company image, price, qualities (including safety, ease, economy, convenience, durability, etc.), features (including size, colour, shape, weight, etc.), and after-sales services (including free installation, home delivery, repairing, guarantee and warrantee, etc.) are important aspects the customers consider while buying these products.

iv. Non-durable Products:

As against durable products, the non-durable products have short life. They must be consumed within short time after they are manufactured. Fruits, vegetables, flowers, cheese, milk, and other provisions are non-durable in nature. They are used for once. They are also known as consumables. Mostly, many of them are non-branded. They are frequently purchased products and can be easily bought from nearby outlets. Freshness, packing, purity, and price are important criteria to purchase these products.

v. Unsought Products

Unsought products are items customers aren't aware of or don't often think about. New products that have no brand recognition fall under this classification, as do certain types of insurance. The marketing problems presented by an unsought product are as follows. First, you must convince customers they need the product or service. Second, you must convince customers to buy the product or service from you and not your competitor.

2. Industrial Products:

Industrial products are used as the inputs by manufacturing firms for further processes on the products, or manufacturing other products. Some products are both industrial as well as

consumer products. Machinery, components, certain chemicals, supplies and services, etc., are some industrial products.

Again, strict classification in term of industrial consumer and consumer products is also not possible, For example, electricity, petroleum products, sugar, cloth, wheat, computer, vehicles, etc., are used by industry as the inputs while the same products are used by consumers for their daily use as well.

Some companies, for example, electricity, cements, petrol and coals, etc., sell their products to industrial units as well as to consumers. As against consumer products, the marketing of industrial products differs in many ways.

Industrial products include:

1. Machines and components
2. Raw-materials and supplies
3. Services and consultancies
4. Electricity and Fuels, etc.

Services:

Services are different than tangible objects. Intangibility, variability, inseparability, perishability, etc., are main features of services. Services make our life safe and comfortable. Trust, reliability, costs, regularity, and timing are important issues.

The police, the post office, the hospital, the banks and insurance companies, the cinema, the utility services by local body, the transportation facilities, and other helpers (like barber, cobbler, doctor, mechanic, etc.,) can be included in services. All marketing fundamental are equally applicable to services. ‘Marketing of services’ is the emerging facet of modern marketing.

Product Planning is the ongoing process of identifying and articulating market requirements that define a product's feature set. Product planning serves as the basis for decisions about price, distribution and promotion. Product planning is the process of creating a product idea and following through on it until the product is introduced to the market. Additionally, a small company must have an exit strategy for its product in case the product does not sell. Product planning entails managing the product throughout its life using various marketing strategies, including product extensions or improvements, increased distribution, price changes and promotions.

PHASES OF PRODUCT PLANNING

Developing the product concept

The first phase of product planning is developing the product concept. Marketing managers usually create ideas for new products by identifying certain problems that consumers face or various customers need. For example, a small computer retailer may see the need to create a computer repair division for the products it sells. After the product idea is conceived, managers will start planning the dimensions and features of the product. Some small companies will even develop a product mock-up or model.

Studying the market

The next step in the product planning process is studying the competition. Secondary research usually provides details on key competitors and their market share, which is the percent of total sales that they hold in the marketplace. The business can then determine places in which it has an advantage over the competition to identify areas of opportunity. Market research is a complex task. It must include an analysis of products that are indirect competitors' products manufactured by the company observed.

Market research

A small company should consider doing both qualitative and quantitative marketing research for its new product. Focus groups are an example of qualitative information. Focus groups allow companies to ask their consumers about their likes and dislike of a product in small groups. A focus group allows the company to tweak the product concept before testing it through phone

surveys—a more quantitative marketing research function. Phone surveys enables a company to test its product concept on a larger scale, the results of which are more predictable across the general population. Qualitative research is a method of inquiry employed in many different academic disciplines, traditionally in the social sciences, but also in market research and further contexts.

Qualitative researchers aim to gather an in-depth understanding of human behavior and the reasons that govern such behavior. The qualitative method investigates the why and how of decision making, not just what, where, when. Hence, smaller but focused samples are more often used than large samples. quantitative research refers to the systematic empirical investigation of social phenomena via statistical, mathematical or numerical data or computational techniques.[1] The objective of quantitative research is to develop and employ mathematical models, theories and/or hypotheses pertaining to phenomena.

Market research is the one stage of product planning and it can be regarded as the way to accomplish the activity though designing questions, preparing the samples, collecting data and analyzing etc. It also can be considered as a kind of the communications between markets as research is always question-answer form. For example, suppliers can collect buyers' suggestions and opinions through research and then get conclusion so that they can get buyers' satisfaction . In short, market research is applied to get market information, market segmentation, market trend and SWOT analysis such as consumer perceptions, market structure, distribution, past trends, strengths and weakness. The process to get these information can be divided into four parts which are definition, collection, analysis and interpretation . The steps are objectives, planning, data collection, data analysis, reporting and marketing decisions. (Hague, Paul N., 2002) Thereinto, data collection is the communication process as interviewers ask some questions and shoppers answer these and marketing decisions are results of communication.

Market researchers always use quantitative and qualitative research to differentiate the methods of investigation into those which are cared about getting an understanding of a subject and those which are involved in measuring things. At a word, quantitative and qualitative mean that one is based on quantity and the other one on quality. Qualitative research can be looked upon as a number of ways. (Gordon, Wendy, 1943) Qualitative researchers do not need to interview so

many people but they speak to really do count. The researchers are interested in asking 'How' questions not like 'how many'. Sampson(1967) has said that " it is centrally concerned with understanding things rather than with measuring them" this means that the lack of measurement cannot make sure that the findings are accuracy. For example, the government has until recently used little qualitative research as it is worried that the public security would not believe these findings . Qualitative research is suited to solve the problem areas as following . The first one is basic market exploratory studies . For example, the research findings can be used to define consumer segmentations in relation to a product brand or understand the dimensions which differentiate between brands . The second one is new product development . For instance, product, packaging, positioning and advertising information can be collected through researching to confirm a new product proposition . The third one is diagnostic studies which is used to determine to what extent the brand image has changed since the start of an advertising campaign. (Gordon,Wendy,1943) . The methods of qualitative research can be departed into observation and focus groups . Nowadays, observation is used wherever people think that watching is better to speaking and it plays an important role in researching people who cannot articulate correctly and clearly what they think . It is frequently applied in shopping surveys particularly in-store, it regularly make customers try products and then ask them questions or do surveys . The results sometimes will be more reliable and creditable . Focus groups also can be called group discussions which is a tool on the basis of psychotherapy where it has found that if people are divided into small groups and asked to share their opinions and suggestions, they will be open up . Because there will generate a brainstorming effect in the groups so that a comment from one person can stimulate another one's ideas . Although qualitative research does not need many people to attend, one group is not enough that will cause the results are untypical . In general, there are always need four groups to cover a single respondent type . And the outcomes of group discussions are rely on the group leaders' abilities of structuring the discussion, conducting the meeting and analyzing and understanding the results.

Quantitative research is about understanding aspects of a market or what kinds of customers making up the market . And it can be split into soft and hard parts . Soft part means phenomena like customer attitudes and hard part is market size, brand shares and so on. Quantitative

researchers are different from qualitative researchers, they pay more attention to asking ‘What’ questions . (Allen, Mike, 1959)

Quantitative research often provides three aims : description, forecasting and decision-making. (Franses, Philip Hans, 1963) Quantitative market research means getting relevant information or measures from each single customer or shopper who are carrying out a census in the market . It is based on the strict sampling methods so that its data or results have levels of accuracy and can be taken to represent and stand for the population or to projecting . As the large basis will be collected in quantitative research, the types of quantitative data can be fallen into market measures, customer profiles or segmentation and attitudinal data.

Firstly, market measures are used to quantify and describe a market like market size, the number of shares the suppliers or brands hold, how often does consumers purchase, schema of purchasing and so on . These data can help company or brand to plan or develop their product or marketing planning .

Secondly, if a company want to plan a new product, it is necessary to know about the potential consumer base such as the age of people, what types of products or service they always use . There are various forms are included in profiling data like socio-demographics, geo-demographics customer behavior . The difference between market measures and consumer profiles is that only consumers can be the target people to collect profiling data.

Thirdly, attitudinal data needs to collect the minds of individuals and then get results like awareness, beliefs, preference and so on. (Hague, Paul N., 2002) Attitude can influence behavior so that company or brand can use data to foresee customers’ future behavior and then make product planning or business decision . On the other hand, there are many elements can change customers’ attitude like price or appearance are changed . In a word, it is obvious that the communications between markets not only help each other to gain what they want but also develop the company or brand . It will make positive cycles between markets and then might promote the economy .

Thus, both of quantitative and qualitative research can be used to do market research to do the product planning and both of them are realized through communications so they can be regarded as kinds of communications between markets. The differences between quantitative and

qualitative research can be summarized that qualitative research is always open-ended, more flexible, gives consumers more creativity, pays more attention to deeper understanding so that they can get deeper data and richer ideas and quantitative research are usually statistical and numerical measurement and people will be divided into groups to get sampling or comparisons. (Gordon,Wendy,1943)

Product introduction

If the survey results prove favorable, the company may decide to sell the new product on a small scale or regional basis. During this time, the company will distribute the products in one or more cities. The company will run advertisements and sales promotions for the product, tracking sales results to determine the products potential success. If sales figures are favorable, the company will then expand distribution even further. Eventually, the company may be able to sell the product on a national basis.

NEW PRODUCT DEVELOPMENT (NPD)

Idea Generation

The first stage of the New Product Development is the idea generation. Ideas come from everywhere, can be of any form, and can be numerous. This stage involves creating a large pool of ideas from various sources, which include.

- **Internal sources** – many companies give incentives to their employees to come up with workable ideas.
- **SWOT analysis** – Company may review its strength, weakness, opportunities and threats and come up with a good feasible idea.
- **Market research** – Companies constantly reviews the changing needs, wants, and trends in the market.
- **Customers** – Sometimes reviews and feedbacks from the customers or even their ideas can help companies generate new product ideas.
- **Competition** – Competitors SWOT analysis can help the company generate ideas.

Idea Screening

Ideas can be many, but good ideas are few. This second step of new product development involves finding those good and feasible ideas and discarding those which aren't. Many factors play a part here, these include –

- Company's strength,
- Company's weakness,
- Customer needs,
- Ongoing trends,
- Expected ROI,
- Affordability, etc.

Concept Development & Testing

The third step of the new product development includes concept development and testing. A concept is a detailed strategy or blueprint version of the idea. Basically, when an idea is developed in every aspect so as to make it presentable, it is called a concept.

All the ideas that pass the screening stage are turned into concepts for testing purpose. You don't want to launch a product without its concept being tested, right?

The concept is now brought to the target market. Some selected customers from the target group are chosen to test the concept. Information is provided to them to help them visualize the product. It is followed by questions from both sides. Business tries to know what the customer feels of the concept. Does the product fulfil customer's need or want? Will they buy it when it's actually launched?

Their feedback helps the business to develop the concept further.

Business Strategy Analysis & Development

The testing results help the business in coming up with the final concept to be developed into a product.

Now that the business has a finalized concept, it's time for it to analyse and decide the marketing and other business strategies that will be used. Estimated product profitability is estimated, marketing mix, and branding strategies are decided for the product.

Other important analytics includes

- Competition of the product
- Costs involved
- Pricing strategies

- Breakeven point, etc.

Product Development

Once all the strategies are approved, the product concept is transformed into an actual tangible product. This development stage of New Product Development results in building up of a prototype or a limited production model. All the branding and other strategies decided previously are tested and applied in this stage.

Test Marketing

Unlike concept testing, here the actual prototype is introduced for research and feedback. Actual customers feedback are taken and further changes, if required, are made to the product. This process is of utmost importance as it validates the whole concept and makes the company ready for the launch.

Commercialization

The product is ready, so should be the marketing strategies. The marketing mix is now put to use. The final decisions are to be made. Markets are decided for the product to launch in. This stage involves briefing different departments about the duties and targets. Every minor and major decision is made before the final introduction stage of the New Product Development.



Introduction

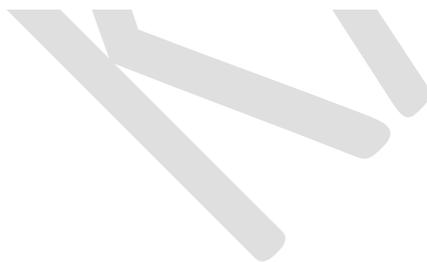
This stage involves the final introduction of the product in the market. This stage is the initial stage of the actual product lifecycle.

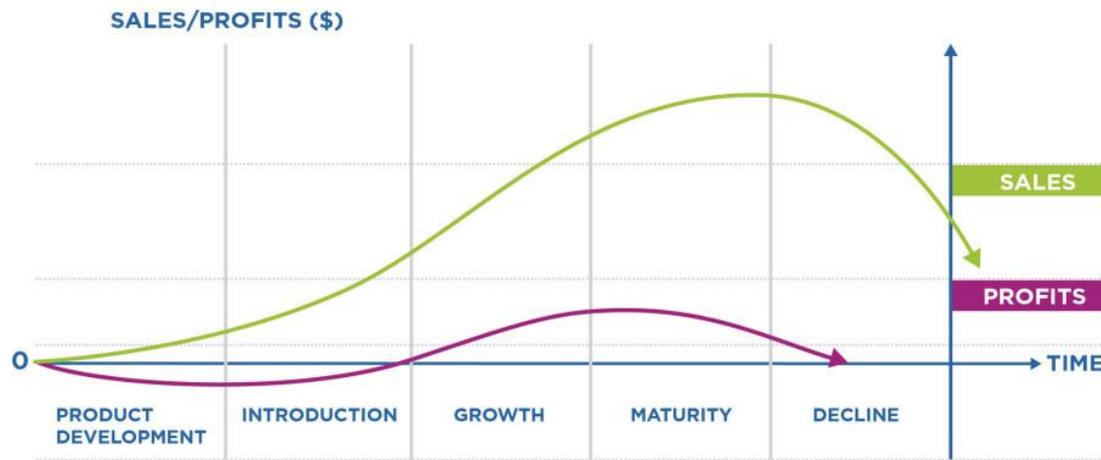
Product life cycle

Product planning must also include managing the product through various stages of its product life cycle. These stages include the introduction, growth, maturity and decline stages. Sales are usually strong during the growth phase, while competition is low. However, continued success of

the product will pique the interest of competitors, which will develop products of their own. The introduction of these competitive products may force a small company to lower its price. This low pricing strategy may help prevent the small company from losing market share. The company may also decide to better differentiate its product to keep its prices steady. For example, a small cell phone company may develop new, useful features on its cell phones that competitors do not have. PLC can be viewed as an important source of investment decision for the company.

If a company or brand wants to make sure that its products are successful, it needs to study the product life cycle to analyze market attractiveness and supplement the conclusion before it launches a new product or enters a new market . (Lambin, Chumpitaz&Schuiling, 2007). Product life cycle (PLC) theory is used to be explain the potential life cycle of a product from design to regression and the whole life cycle can be defined as four stages : introduction, growth, maturity and decline . (<http://www.inc.com/encyclopedia/product-life-cycle.html>) Product life cycle plays an important role in marketing . The first reason is that the managers will follow the four stages to make product plans for pushing out new products . Secondly, the level and growth of sales will change a lot during the four stages so the managers need to adjust the product plan appropriately and timely . The last one is that the prices and costs will decrease markedly in the early stages of the product life cycle . (Marketing Science, 2004)





PRODUCT LIFE CYCLE

The first stage is introduction which means it is time for a company or brand to promote its new products . The goal of introduction is to attract customers' attention as much as possible and confirm the products' initial distribution, the company does not need to worry about the competition generally as the products are new. In this stage, there will have the first communication between marketers and customers as it will be the first time for consumers to know about the new products . In addition, the cost of the things will be high like research, testing and development and the sales are low as the new products' market is small .

The second stage is growth . In this stage, the new products have been accepted in the market and their sales and profits has begun to increase, the competition has happened so that the company will promote their quality to stay competitive. The products also have basic consumers' attention and can develop their loyal customers . There will have second communication as marketers can start to receive customers' feedback and then make improvements .

The third stage is maturity where the sales and profit have grown slowly and will reach their peak . The competitions between companies and brands will be fierce so that the companies will go out of their ways like providing higher quality products with a lower price or thinking about any improvements to survive in the competitions and make profits maximum.

The last one is decline which means the product is going to end and be discontinued. The sales of product will decrease until it is no longer in demand as it has become saturated, all the customers who want to buy this product has already got that . Then the company or brand will cut down the old products and pays attention to designing and developing the new products to gain back the customer base, stay in the markets and make profits .

In conclusion, although the differences will be happened if the product life cycle theory is applied to different types of products, it is important to the marketers. Product life cycle can show the strengths and weakness of a product so that the marketers can make a product successful and avoid loss through analyzing them. A good-managed product life cycle can also help a company or brand maximize the profit and stay in the markets for a long time. On the other hand, although the product life cycle theory seems that it just about products and marketers, it has the communications between marketers and customers. The interests, needs and feedback from the customers are necessary to the product life cycle. Because only the consumers have demand and they are interested in the new products, the products can start their introduction, and marketers need to collect and analyze the feedback and then adjust and improve their products to meet consumers' needs in order to increase the sales and profits in the growth and maturity stages.

PRICING AND TYPES OF PRICING

Pricing is one of the four elements of the marketing mix, along with product, place and promotion. Pricing strategy is important for companies who wish to achieve success by finding the price point where they can maximize sales and profits. Companies may use a variety of pricing strategies, depending on their own unique marketing goals and objectives.

Premium Pricing

Premium pricing strategy establishes a price higher than the competitors. It's a strategy that can be effectively used when there is something unique about the product or when the product is first to market and the business has a distinct competitive advantage. Premium pricing can be a good strategy for companies entering the market with a new market and hoping to maximize revenue during the early stages of the product life cycle.

Penetration Pricing

A penetration pricing strategy is designed to capture market share by entering the market with a low price relative to the competition to attract buyers. The idea is that the business will be able to raise awareness and get people to try the product. Even though penetration pricing may initially create a loss for the company, the hope is that it will help to generate word-of-mouth and create awareness amid a crowded market category.

Economy Pricing

Economy pricing is a familiar pricing strategy for organizations that include Wal-Mart, whose brand is based on this strategy. Aldi, a food store, is another example of economy pricing strategy. Companies take a very basic, low-cost approach to marketing--nothing fancy, just the bare minimum to keep prices low and attract a specific segment of the market that is very price sensitive.

Price Skimming

Businesses that have a significant competitive advantage can enter the market with a price skimming strategy designed to gain maximum revenue advantage before other competitors begin offering similar products or product alternatives.

Psychological Pricing

Psychological pricing strategy is commonly used by marketers in the prices they establish for their products. For instance, \$99 is psychologically "less" in the minds of consumers than \$100. It's a minor distinction that can make a big difference.

FACTORS AFFECTING PRICING PRODUCT:

INTERNAL FACTORS AND EXTERNAL FACTORS

The pricing decisions for a product are affected by internal and external factors.

A. Internal Factors:

1. Cost:

While fixing the prices of a product, the firm should consider the cost involved in producing the product. This cost includes both the variable and fixed costs. Thus, while fixing the prices, the firm must be able to recover both the variable and fixed costs.

2. The predetermined objectives:

While fixing the prices of the product, the marketer should consider the objectives of the firm. For instance, if the objective of a firm is to increase return on investment, then it may charge a higher price, and if the objective is to capture a large market share, then it may charge a lower price.

3. Image of the firm:

The price of the product may also be determined on the basis of the image of the firm in the market. For instance, HUL and Procter & Gamble can demand a higher price for their brands, as they enjoy goodwill in the market.

4. Product life cycle:

The stage at which the product is in its product life cycle also affects its price. For instance, during the introductory stage the firm may charge lower price to attract the customers, and during the growth stage, a firm may increase the price.

5. Credit period offered:

The pricing of the product is also affected by the credit period offered by the company. Longer the credit period, higher may be the price, and shorter the credit period, lower may be the price of the product.

6. Promotional activity:

The promotional activity undertaken by the firm also determines the price. If the firm incurs heavy advertising and sales promotion costs, then the pricing of the product shall be kept high in order to recover the cost.

B. External Factors:

1. Competition:

While fixing the price of the product, the firm needs to study the degree of competition in the market. If there is high competition, the prices may be kept low to effectively face the competition, and if competition is low, the prices may be kept high.

2. Consumers:

The marketer should consider various consumer factors while fixing the prices. The consumer factors that must be considered includes the price sensitivity of the buyer, purchasing power, and so on.

3. Government control:

Government rules and regulation must be considered while fixing the prices. In certain products, government may announce administered prices, and therefore the marketer has to consider such regulation while fixing the prices.

4. Economic conditions:

The marketer may also have to consider the economic condition prevailing in the market while fixing the prices. At the time of recession, the consumer may have less money to spend, so the marketer may reduce the prices in order to influence the buying decision of the consumers.

5. Channel intermediaries:

The marketer must consider a number of channel intermediaries and their expectations. The longer the chain of intermediaries, the higher would be the prices of the goods.

PLACE

It refers to the location where the products are available and can be sold or purchased.

- Buyers can purchase products either from physical markets or from virtual (online) markets.

PLACE MIX - This element of marketing mix is concerned with taking decisions in order to make product available to the customer for purchase and consumption. It is important that the product is available at the right place and at the right time.

ELEMENTS OF PLACE MIX

- (1) Channel of Distribution
- (2) Types of channel
- (3) Components of physical distribution

(4) Factors determining choice of channel

SUPPLY CHAIN MANAGEMENT

Supply chain management (SCM), the management of the flow of goods and services, involves the movement and storage of raw materials, of work-in-process inventory, and of finished goods from point of origin to point of consumption. Interconnected or interlinked networks, channels and node businesses combine in the provision of products and services required by end customers in a supply chain.

Supply-chain management has been defined as the "design, planning, execution, control, and monitoring of supply chain activities with the objective of creating net value, building a competitive infrastructure, leveraging worldwide logistics, synchronizing supply with demand and measuring performance globally." SCM practice draws heavily from the areas of industrial engineering, systems engineering, operations management, logistics, procurement, information technology, and marketing and strives for an integrated approach. Marketing channels play an important role in supply chain management Current research in supply chain management is concerned with topics related to sustainability and risk management, among others, whereas the "people dimension" of SCM, ethical issues, internal integration, transparency/visibility, and human capital/talent management are topics that have, so far, been underrepresented on the research agenda.

Supply chain management flows can be divided into three main flows:

- The product flow
- The information flow
- The finances flow

The product flow includes the movement of goods from a supplier to a customer, as well as any customer returns or service needs. The information flow involves transmitting orders and

updating the status of delivery. The financial flow consists of credit terms, payment schedules, and consignment and title ownership arrangements.

ELEMENTS OF SUPPLY CHAIN MANAGEMENT

Demand Management

Demand management is an essential element in supply chain management, focusing companies and their partners on meeting the needs of customers, rather than the production process. The lead company in the supply chain makes partners aware of customers' needs, encouraging them to maximize component or supply quality and add value to the finished product. By raising awareness of customers' needs and increasing collaboration, companies can improve the competitiveness of the whole supply chain and increase business opportunities for all members.

Communication

Effective communication helps the entire supply chain improve the efficiency and productivity of its operations by enabling all members to share the same demand and operational information. Communication keeps all members informed of developments that affect their contribution to the supply chain, enabling them to quickly adjust their operations in line with changing demand conditions. Effective communication also enables members to respond rapidly to new business opportunities, helping to get new products to market quickly or increasing supply levels following a successful marketing campaign.

Integration

Integrating supply chain processes helps each member reduce its inventory costs – a key to successful chain management, according to a case study on the retailer Wal-Mart by the University of San Francisco. Suppliers share up-to-date information on demand to route their products to Wal-Mart's warehouses for onward shipment to stores with minimum time in inventory. This reduces Wal-Mart's costs significantly, enabling them to offer customers highly competitive pricing. To achieve this level of integration, companies develop single information networks that enable all members to access and share supply and demand data securely. The

networks are based on open standards, such as Internet Protocol, so all members can communicate, even if they have different internal networks.

Collaboration

Collaboration in the supply chain strengthens relationships between members, improving teamwork and helping all members increase their business. Lead companies run business development and training programs to improve supply chain partners' market and product knowledge. They also undertake joint new product development programs with partners contributing specialist knowledge of components and materials.

What is Private Label?

A private label product is manufactured by a contract or third-party manufacturer and sold under a retailer's brand name. As the retailer, you specify everything about the product – what goes in it, how it's packaged, what the label looks like – and pay to have it produced and delivered to your store. This is in contrast to buying products from other companies with their brand names on them.

For example, Target sells a variety of branded snacks from companies like General Mills and Frito-Lay, but it also sell its own chips and crackers under the Archer Farms brand – Target's private label brand.

Hair salons often create their own branded line of shampoos, conditioners, and styling products for their customers to buy and take home. Restaurants often decide to private label condiments or mixes that have become popular with customers. Maid services could private label a line of household cleaners and pet stores could private label a line of pet foods and grooming tools.

Private Label Categories

Almost every consumer product category has both branded and private label offerings, including:

- Personal care
- Beverages
- Cosmetics
- Paper products
- Household cleaners
- Condiments and salad dressings
- Dairy items
- Frozen foods

While private label products are in the minority, comprising 15% of U.S. supermarket sales according to the Harvard Business Review, some private label categories are seeing strong growth, according to a Nielsen Report.

Advantages

Retailers interested in filling their shelves with products featuring their brand name have good reason. Some of the biggest advantages of private label products include:

- **Control over production** - Third-party manufacturers work at the retailer's direction, offering complete control over product ingredients and quality.
- **Control over pricing** - Thanks to control over the product, retailers can also determine product cost and profitable pricing.
- **Adaptability** - Smaller retailers have the ability to move quickly to get a private label product in production in response to rising market demand for a new feature, while larger companies might not be interested in a niche product.
- **Control over branding** - Private label products bear the brand name and packaging design created by the retailer.
- **Control over profitability** - Thanks to control over production costs and pricing, retailers therefore control the level of profitability its products provide.

Disadvantages

The disadvantages of adding a private label line are few, as long as you have the financial resources to invest in developing such a product. The main disadvantages include:

- **Manufacturer dependency** - Since production of your product line is in the hands of a third-party manufacturer, it's important to partner with well-established companies. Otherwise, you could miss out on opportunities if your manufacturer runs into problems.
- **Difficulty building loyalty** - Established household brands have the upper hand and can often be found in a variety of retail outlets. Your product will only be sold in your stores, limiting customer access to it. Of course, limited availability could also be an advantage, giving customers a reason to come back and buy from you.

Although private label products are typically sold at a lower price point than their name brand brethren, some private label brands are now being positioned as premium products, with the higher price tag to prove it.

MEDIA VEHICLE

Media vehicle advertising" isn't a commonly used expression. "Media vehicle" refers to specific methods of media used by companies to deliver advertising messages to targeted customers. Selecting the right mix of media vehicles is critical to reaching your audience and getting them to respond well to your ads.

Class Versus Vehicle

To understand a media vehicle, you need to compare it with the concept media class. A media class is a general category of media, such as television, radio, newspapers, magazines and the Internet. The vehicle is the specific TV or radio station, newspaper or print publication, or online website. Picking the right class based on benefits and drawbacks is an important first step. Then you need to select the right vehicle to reach your prospects.

Broadcast Vehicles

Television vehicles include networks such as ABC, NBC, CBS and FOX. Typically, small businesses can't advertise on the national network, but they often advertise on local network affiliate stations. You can also choose from hundreds of more niche cable networks, such as Lifetime, E! or CNN. Radio is often more practical for small businesses. You normally have an array of vehicles in a local market that have various formats, such as pop music, country music and talk shows.

Print Vehicles

Newspapers are another prominent small-business class because of relatively low ad costs. Community newspapers can reach a local audience. Many small businesses also have access to state or regional publications. Magazines aren't quite as accessible for local companies. However, some regions have local magazines that offer entertainment, community events and themed topics. Even a local magazine ad can cost a few thousand dollars, but magazine vehicles normally reach a very niche audience.

Digital Vehicles and Others

The other major traditional media class is online, or digital/interactive. This class includes thousands of online vehicles, along with mobile communication opportunities. Other supportive media options include billboards, directories, buses and benches. Many metro communities offer vehicle options within each of these categories. These supportive media are usually used to reinforce messages that are delivered through broader mass media. Billboards are relatively expensive, but they allow small companies to reach wide local marketplaces.

MARKETING RESEARCH AND 4 P'S

Creating a marketing plan takes creativity, but relying on your instincts and gut feelings can lead to assumptions that don't pan out when you open your doors. The marketing mix consists of interrelated product development, pricing, promotions and distribution strategies that should be based on thorough research. Conducting the right kind of research to analyze how the marketing mix applies to your product or service will help you pursue the right strategies for your company.

1. Identify your product's unique selling benefit and research how important it is to consumers. Look at other products and services that offer the same benefit and how successful they are.

Possible Questions
Part A (online Exam)

Part B - 2 mark questions

1. Define Marketing Mix.
2. Define Product.
3. Explain Supply chain management.
4. Define promotion.
5. What is consumer behavior?
6. What is Branding?
7. Explains private labels.
8. Define Price.
9. What are the 4ps in Marketing?
10. What are the elements of Supply chain?
11. What do you mean by Place in marketing?

Part C

1. Explain marketing mix with suitable examples.
2. What are the various types of Product classification?
3. What is product planning and product mix?
4. Explain various stages in new product development.
5. Briefly explain different stages in Product life cycle with suitable examples.
6. Define pricing and factors affecting pricing decisions.
7. Define pricing and various types of pricing strategies.
8. Explain supply chain management and its elements.
9. What is promotional mix? Explain types of promotion mix with suitable examples.
10. How market research is interrelated with 4 p's explain with examples?

Unit -II

	Question	Option A	Option B	Option C	Option D	Answer
61	A social and managerial process by which individuals and organizations obtain what they need and want through value creation refers to which one of the following concepts?	Selling	Advertising	Barter	Marketing	Marketing
62	What is the basic property of a service which makes it different from a product.	Shape	Size	Very expensive	Intangibility	Intangibility
63	Which one of the following phrases reflects the marketing concept?	The supplier is a king in the market	Marketing should be viewed as hunting not gardening	This is what I make, won't you please buy it?	This is what I want, won't you please make it?	This is what I want, won't you please make it?
64	The task of any business is to deliver _____ at a profit.	customer needs	customer value	products and services	improved quality	customer value
65	The solution to price competition is to develop a differentiated:	product, price, and promotion.	offer, delivery, and image.	package and label.	international Web site.	offer, delivery, and image.
66	You purchase cleaning supplies for your custodial help regularly. It is showing which buying situation?	Modified rebuy	Straight rebuy	Modified straight rebuy	Consumer buy	Straight rebuy
67	Customer's evaluation of the difference between all the benefits and all the costs of a marketing offer relative to those of competing offers refers to which of the following options?	Customer perceived value	Marketing myopia	Customer relationship management	Customer satisfaction	Customer satisfaction
68	Buying goods and services for further processing or for use in the production	Consumer markets	Government markets	Business markets	International markets	Business markets

	process refers to which of the following markets?						
69	Marketing managers should adapt the marketing mix to _____ and constantly monitor value changes and differences in both domestic and global markets.	Sales strategies	Marketing concepts	Cultural values	Brand images		Cultural values
70	The _____ refers to the various companies that are involved in moving a product from its manufacturer into the hands of its buyer.	distribution chain	network chain	supply chain	promotion network		distribution chain
71	_____ is the study of how individuals, groups, and organizations select, buy, use, and dispose of goods, services, ideas, or experiences to satisfy their needs and wants.	Target marketing	Psychographic segmentation	Product Differentiation	Consumer behavior		Consumer behavior
72	A person's _____ consist(s) of all the groups that have a direct (face-to-face) or indirect influence on his/her attitudes or behavior.	culture	subculture	psychographics	reference groups		reference groups
73	Product choice is greatly affected by economic circumstances. All of the following would be among those circumstances EXCEPT _____.	spendable income	savings and assets	debts	occupation		occupation
74	_____ is a set of distinguishing human psychological traits that lead to relatively consistent and enduring responses to environmental stimuli.	Image	Personality	Beliefs	Culture		Personality
75	_____ portrays the "whole person" interacting with his or her environment.	Attitude	Reference group	Lifestyle	Culture		Lifestyle
76	A _____ when it is aroused to a sufficient level of intensity	need becomes a motive	personal demand exceeds the ability to rationally reject	reality unfulfilled demand	a crisis		need becomes a motive

		motive		becomes			
77	The five-stage model of the consumer buying process includes all of the following stages EXCEPT _____.	problem recognition	information search	social interaction	purchase decision		social interaction
78	If performance meets consumer expectations, the consumer is _____.	delighted	satisfied	disappointed	surprised		satisfied
79	Product planners need to think about products and services on three levels. Each level adds more customer value. Which one of the following is the most basic level that addresses the question, "What is the buyer really buying?"	Actual product	Augmented product	Core benefit	Co-branding		Core benefit
80	The mental act, condition or habit of placing trust or confidence in another shows which of the following options?	Motive	Belief	Behavior	Attitude		Attitude
81	How do consumers respond to various marketing efforts the company might use? What is a starting point of a buyer's behavior	Belief	Subculture	Post purchase feeling	Stimulus-response Model		Stimulus-response Model
82	Which one of the following factor relates to family that influences consumer behavior?	Cultural	Social	Personal	Business		Social
83	Unique psychological characteristics that lead to relatively consistent and lasting responses to one's own environment refers to which one of the following?	Belief	Culture	Personality	Self-awareness		Belief
84	Which one of the following is a key to build lasting relationships with consumers?	Price of the product	Need recognition	Customer satisfaction	Quality of product		Customer satisfaction
85	A _____ is someone seeking a response (attention, a purchase, a	salesperson, customer	politician, voter	marketer, prospect	celebrity, audience		salesperson, customer

	vote, a donation) from another party, called the _____.						
86	The _____ is practiced most aggressively with unsought goods, goods that buyers normally do not think of buying, such as insurance, encyclopedias, and funeral plots.	marketing concept	selling concept	production concept	product concept		selling concept
87	The _____ concept holds that consumers will favor those products that offer the most quality, performance, or innovative features.	product	marketing	production	selling		product
88	_____ marketing has the aim of building mutually satisfying long-term relations with key parties such as customers, suppliers, distributors, and other marketing partners in order to earn and retain their business.	Relationship	Direct	Demand-based	Holistic		Relationship
89	One traditional depiction of marketing activities is in terms of the marketing mix or four Ps. The four Ps are characterized as being _____.	product, positioning, place, and price	product, production, price, and place	promotion, place, positioning, and price	product, price, promotion, and place		product, price, promotion, and place
90	The traditional view of marketing is that the firm makes something and then _____ it. markets	sells	distributes	prices	services		sells
91	_____ is the single factor that best indicates social class.	Time	Money	Occupation	Fashion		Occupation
92	Marketing strategies are often designed to influence _____ and lead to profitable exchanges.	Consumer decision making	Sales strategies	Advertising strategies	Export strategies		Consumer decision making
93	_____ refers to the information a consumer has stored in their memory about a product or service.	Cognitive dissonance	Product knowledge	Product research	Marketing research		Product knowledge
94	When consumers are seeking low-	Order	Order booking	Ready	Information about		Ready

	involvement products, they are unlikely to engage in extensive search, so _____ is important.	processing		availability	warranty	availability	
95	_____ constitutes moderate consumer behavior, but still involves time and effort searching for and comparing alternatives.	Limited decision making	Need recognition	Routine decision making	Post purchase evaluation	Limited decision making	
96	Which of the following is NOT one of the four philosophies of marketing	production orientation	societal marketing orientation	sales orientation	promotion orientation	promotion orientation	
97	Marketing is defined by the American Marketing Association as the activity, set of institutions, and processes for _____, _____, _____, and _____ offerings that have value for customers, clients, partners, and society at large.	Making, Arranging, Maintaining and Selling	Creating, Communicating, Delivering, and Exchanging	Creating, Advertising, Selling, and Transferring	Performing, Displaying, Offering, and Exchanging	Creating, Communicating, Delivering, and Exchanging	
98	The focus of marketing today is _____.	Value and Satisfaction	Quality and Long Term Relationships		Both A and B	None of the Above	Both A and B
99	Which of the following firms emphasizes on product's benefits to the customers rather product attributes?	Product oriented	Market oriented	Sales oriented	Production oriented	Market oriented	
100	Products that are usually purchased due to adversity and high promotional back up rather than desire are called:	Sought goods	Unique goods	Unsought goods	Preferred goods	Unsought goods	
101	Luxury products, such as Rolex watches, are also known as:	Shopping product	Convenience product	Emergency product	Specialty product	Shopping product	
102	Which of the following is NOT included as a basic idea in the definition of marketing concepts?	Total company effort	Profit	Productivity	Customer satisfaction	Total company effort	
103	Which of the following is the most recent stage of marketing evolution?	Marketing department era	Production era	Sales era	Marketing company era	Marketing company era	

104	. _____ is defined as the difference between the benefits a customer sees from a market offering and the costs of obtaining those benefits.	Customer value	Satisfaction scale	Profit margin	Competitive benefit	Customer value
105	Which of the following is NOT included in the marketing management process used by the marketing manager to achieve its objectives?	Planning marketing activities	Raising funds to finance the marketing projects	Controlling marketing plans	Directing implementation of the marketing plans	Raising funds to finance the marketing projects
106	_____ is defined as communication with large numbers of customers at the same time	Personal selling	Sales promotion	Mass selling	All of the above	Mass selling
107	In a _____ orientation, the role of marketing research is to determine customer needs and how well the company is satisfying them.	Marketing	Production	Both	None of the above	Marketing
108	When a manager focuses on making whatever products are easy to produce, and then trying to sell them, that manager has a _____ orientation.	Marketing	Production	Sales	Profit	Production
109	Which of the following is NOT consistent with a manager having a marketing orientation?	Inventory levels are set with customer requirements and costs in mind	Customer relationship focuses on customer satisfaction before and after sale, leading to a profitable long-run relationship	Focus of advertising is on product features and how products are made	Packaging is designed for customer convenience and as a selling tool	Focus of advertising is on product features and how products are made
110	The controllable variables a company puts together to satisfy a target group is called the	Marketing strategy	Marketing mix	Strategic planning	Marketing concept	Marketing mix
111	In order for exchange to occur:	a complex	organized marketing	a profit-	each party must	each party must

		societal system must be involved.	activities must also occur.	oriented organization must be involved.	have something of value to the other party.	have something of value to the other party.
112	A market orientation recognizes that:	price is the most important variable for customers.	market intelligence relating to current and future customer needs is important.	selling and marketing are essentially the same thing.	sales depend predominantly on an aggressive sales force.	market intelligence relating to current and future customer needs is important.
113	When customer expectations regarding product quality, service quality, and value-based price are met or exceeded, _____ is created.	customer satisfaction	planning excellence	a quality rift	a value line	customer satisfaction
114	A critical marketing perspective is the process of determining:	the value of a product, person, or idea.	how places compete with each other.	the worth and impact of marketing activities.	which type of promotional strategy works best.	the worth and impact of marketing activities.
115	“How are you telling consumers in your target group about your product” This question belongs to which marketing concept?	Product	Price	Place	Promotion	Promotion
116	The buyer decision process consists of five stages. Which of the following is NOT one of these stages?	Evaluation of Alternatives	Information search	Variety-seeking buying behavior	Post purchase behavior	Variety-seeking buying behavior
117	At least how many parties should be included in “Exchange”?	2	3	5	7	2
118	Which one of the following factor relates to family that influences consumer behavior?	Cultural	Social	Personal	Business	Personal
119	How many stages are involved in the consumer buying / adoption process?	2	3	5	7	5
120	Distribution of product to get it in the	Selling	Advertising activities	Promotion	Place or	Place or

	marks refers to which of the following activities?	Activities		Activities	distribution activities	distribution activities
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SYLLABUS

Market segmentation – Need for segmentation- Segmentation criteria- Types of segmentation- Retail marketing- CPG and MR offerings- Input services- Input validation offerings- Data management – Reporting- Introduction to KPO offerings.

Market

A set up where two or more parties engage in exchange of goods, services and information is called a market. Ideally a market is a place where two or more parties are involved in buying and selling.

The two parties involved in a transaction are called **seller and buyer**.

The seller sells goods and services to the buyer in exchange of money. There has to be more than one buyer and seller for the market to be competitive

Segmentation

Segmentation refers to a process of bifurcating or dividing a large unit into various small units which have more or less similar or related characteristics.

Market Segmentation

Market segmentation is 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*) 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.

Market segmentation assumes that different market segments require different marketing programs – that is, different offers, prices, promotion, distribution or some combination of marketing variables. Market segmentation is not only designed to identify the most profitable segments, but also to develop profiles of key segments in order to better understand their needs and purchase motivations. Insights from segmentation analysis are subsequently used to support

marketing strategy development and planning. Many marketers use the S-T-P approach; Segmentation → Targeting → Positioning to provide the framework for marketing planning objectives. That is, a market is segmented, one or more segments are selected for targeting, and products or services are positioned in a way that resonates with the selected target market or markets.

The process of creating small segments comprising of like minded individuals within a broad market refers to market segmentation. Market segmentation helps in the division of market into small segments including individuals who show inclination towards identical brands and have similar interests, attitudes and perception.

Need for Market Segmentation (Why Market Segmentation?)

Not all individuals have similar needs. A male and a female would have varied interests and liking towards different products. A kid would not require something which an adult needs. A school kid would have a different requirement than an office goer. Market Segmentation helps the marketers to bring together individuals with similar choices and interests on a common platform.

- Market Segmentation helps the marketers to devise appropriate marketing strategies and promotional schemes according to the tastes of the individuals of a particular market segment. A male model would look out of place in an advertisement promoting female products. The marketers must be able to relate their products to the target segments.
- Market segmentation helps the marketers to understand the needs of the target audience and adopt specific marketing plans accordingly. Organizations can adopt a more focussed approach as a result of market segmentation.
- Market segmentation also gives the customers a clear view of what to buy and what not to buy. A Rado or Omega watch would have no takers amongst the lower income group as they cater to the premium segment. College students seldom go to a Zodiac or Van Heusen store as the merchandise offered by these stores are meant mostly for the professionals. Individuals from the lower income group never use a Blackberry. In

simpler words, the segmentation process goes a long way in influencing the buying decision of the consumers.

An individual with low income would obviously prefer a Nano or Alto instead of Mercedes or BMW.

- Market segmentation helps the organizations to target the right product to the right customers at the right time. Geographical segmentation classifies consumers according to their locations. A grocery store in colder states of the country would stock coffee all through the year as compared to places which have defined winter and summer seasons.
- Segmentation helps the organizations to know and understand their customers better. Organizations can now reach a wider audience and promote their products more effectively. It helps the organizations to concentrate their hard work on the target audience and get suitable results.

SEGMENTATION CRITERIA

Identifying viable segments

Clearly defined **market segmentation criteria** not only ensure that customers are more likely to identify – and purchase – the product that is right for them; it also minimises wastage of resources, reducing the time spent marketing the wrong products to the wrong customers. It is important, however, to focus resources on market segments whose size, growth and profitability is good, both immediately and in the long run. The following 5 market segmentation criteria should be useful when planning your own company's market segmentation strategy.

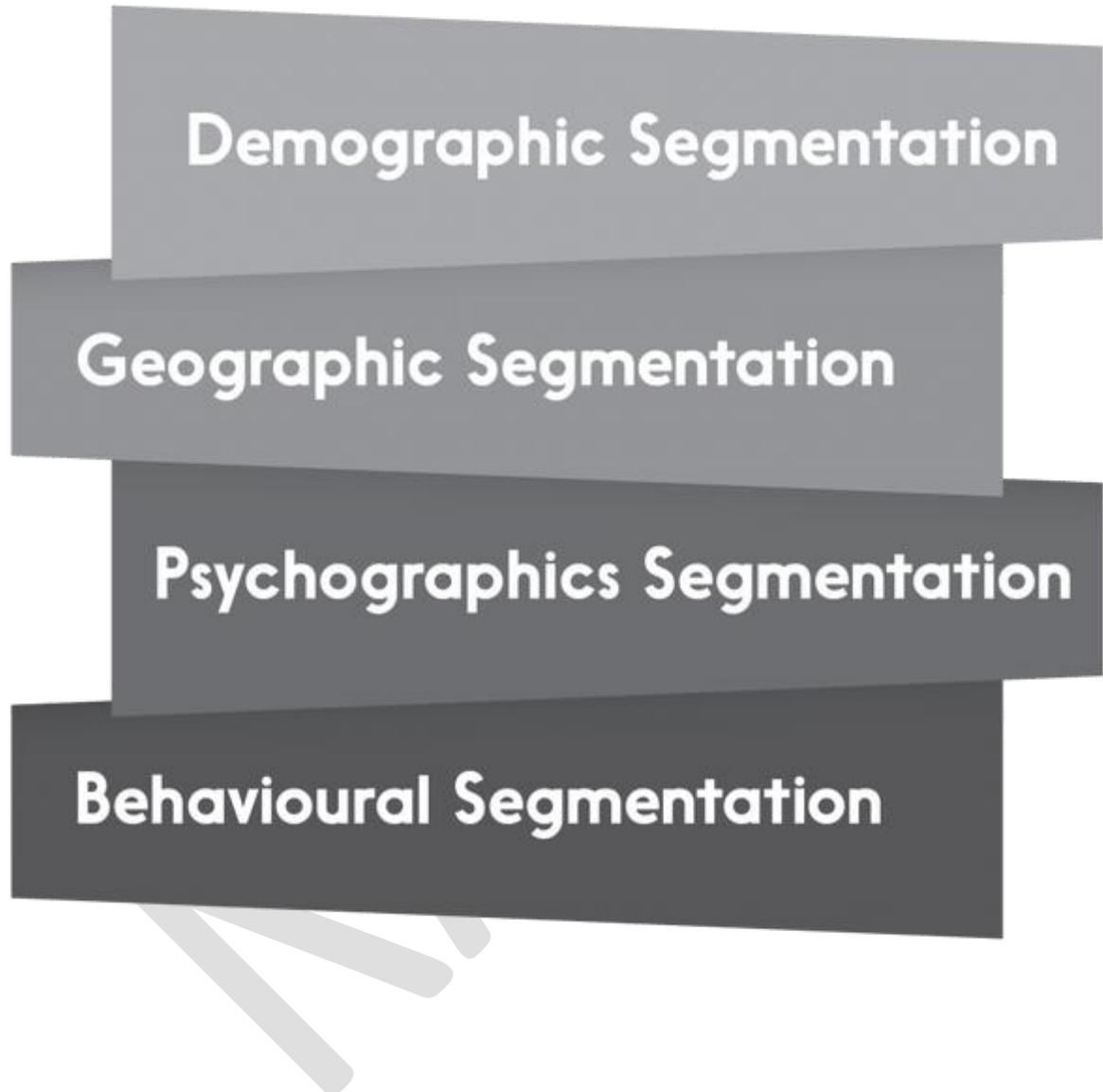
A market segment should be:

1. **Measurable:** Market segments are usually measured in terms of sales value or volume (i.e. the number of customers within the segment). Reliable market research should be able to identify the size of a market segment to a reasonable degree of accuracy, so that

strategists can then decide whether, how, and to what extent they should focus their efforts on marketing to this segment.

2. **Substantial:** Simply put, there would be no point in wasting marketing budget on a market segment that is insufficiently large, or has negligible spending power. A viable market segment is usually a homogenous group with clearly defined characteristics such as age group, socio-economic background and brand perception. Longevity is also important here: no market segmentation expert would recommend focussing on an unstable customer group that is likely to disperse, or change beyond recognition within a year or two.
3. **Accessible:** When demarcating a market segment, it is important to consider how the group might be accessed and, crucially, whether this falls within the strengths and abilities of the company's marketing department. Different segments might respond better to outdoor advertising, social media campaigns, television infomercials, or any number of other approaches.
4. **Differentiable:** An ideal market segment should be internally homogeneous (i.e. all customers within the segment have similar preferences and characteristics), but externally heterogeneous. Differences between market segments should be clearly defined, so that the campaigns, products and marketing tools applied to them can be implemented without overlap.
5. **Actionable:** The market segment must have practical value – its characteristics must provide supporting data for a marketing position or sales approach, and this in turn must have outcomes that are easily quantified, ideally in relation to the existing measurements of the market segment as defined by initial market research

Types of Market Segmentation



Geographic Segmentation

Geographic segmentation divides the market on the basis of geography. This type of market segmentation is important for the marketers as people belonging to different regions may have different requirements. For example, water might be scarce in some regions which inflates the

demand for bottled water but, at the same time, it might be in abundance in other regions where the demand for the same is very less.

People belonging to different regions may have different reasons to use the same product as well. Geographic segmentation helps marketer draft personalized marketing campaigns for everyone.

Demographic Segmentation

Demographic segmentation divides the market on the basis of demographic variables like age, gender, marital status, family size, income, religion, race, occupation, nationality, etc. This is one of the most common segmentation practice among the marketers. Demographic segmentation is seen almost in every industry like automobiles, beauty products, mobile phones, apparels, etc and is set on a premise that the customers' buying behaviour is hugely influenced by their demographics.

Behavioral Segmentation

The market is also segmented based on audience's behaviour, usage, preference, choices and decision making. The segments are usually divided based on their knowledge of the product and usage of the product. It is believed that the knowledge of the product and its usage affects the buying decision of an individual. The audience can be segmented into –

- Those who know about the product,
- Those who don't know about the product,
- Ex users,
- Potential users,
- Current Users,
- First time users, etc.

People can be labelled as brand loyal, brand neutral, or competitor loyal. They can also be labelled according to their usage. For example, a sports person may prefer an energy drink as

elementary (heavy user) and a not so sporty person may buy it just because he likes the taste (light/medium user).

Psychographic Segmentation

Psychographic Segmentation divides the audience on the basis of their personality, lifestyle and attitude. This segmentation process works on a premise that consumer buying behaviour can be influenced by his personality and lifestyle. Personality is the combination of characteristics that form an individual's distinctive character and includes habits, traits, attitude, temperament, etc. Lifestyle is how a person lives his life.

Personality and lifestyle influence the buying decision and habits of a person to a great extent. A person having a lavish lifestyle may consider having an air conditioner in every room as a need, whereas a person living in the same city but having a conservative lifestyle may consider it as a luxury.

NATURE OF A MARKET SEGMENT

A market segment needs to be **homogeneous**. There should be something common among the individuals of the segment that the marketer can capitalise on. Marketers also need to check that different segments have different distinguishing features which make them **unique**. But segmenting requires more than just similar features. Marketers must also ensure that the individuals of the segment **respond in a similar way** to the stimulus. That is, the segment must have a similar type of reaction to the marketing activities being pitched.

Market targeting

Evaluating and selecting the market segments

In evaluating different market segments, the firm must look at two factors: the segment's overall attractiveness and the company's objectives and resources. Does a potential segment have characteristics that make it generally attractive, such as size, growth, profitability, scale economies, and low risk? Does investing in the segment make sense given the firm's objectives,

competences, and resources? Some attractive segments may not mesh with the company's long-run objectives, or the company may lack one or more necessary competencies to offer superior value.

SINGLE-SEGMENT CONCENTRATION Volkswagen concentrates on the small-car market and Porsche on the sports car market. Through concentrated marketing, the firm gains a strong knowledge of the segment's needs and achieves a strong market presence. Furthermore, the firm enjoys operating economies through specializing its production, distribution, and promotion. If it captures segment leadership, the firm can earn a high return on its investment.

However, concentrated marketing involves risks. A particular market segment can turn sour. When young women suddenly stopped buying sportswear, Bobble Brooks's earnings fell sharply; or a competitor may invade the segment. For these reasons, many companies prefer to operate in more than one segment.

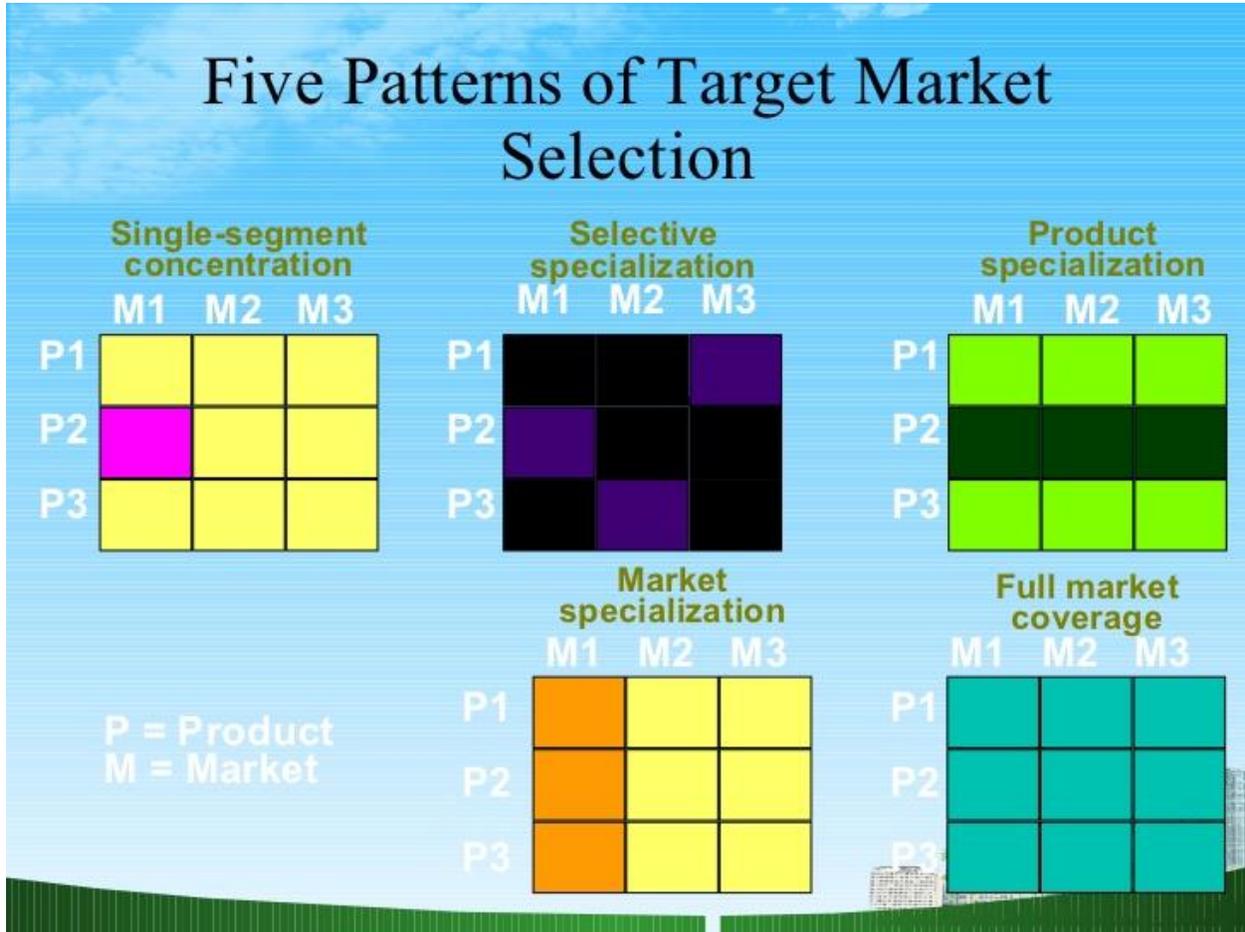
SELECTIVE SPECIALIZATION The firm selects a number of segments, each objectively attractive and appropriate. There may be little or no synergy among the segments, but each promises to be a moneymaker. This multi-segment strategy has the advantage of diversifying the firm's risk.

PRODUCT SPECIALIZATION The firm makes a certain product that it sells to several segments. An example would be a microscope manufacturer who sells to university, government, and commercial laboratories; the firm makes different microscopes for the different customer groups and builds a strong reputation in the specific product area. The downside risk is that the product may be supplanted by an entirely new technology.

MARKET SPECIALIZATION The firm concentrates on serving many needs of particular customer group. An example would be a firm that sells an assortment of products only to university laboratories. The firm gains a strong reputation for serving this customer group and becomes a channel for additional products the customer group can use, the downside risk is that the customer group may suffer budget cuts.

FULL MARKET COVERAGE The firm attempts to see all customer groups with all the products they might need. Only very large firms such as IBM (computer market), General Motors (vehicle market), and Coca-Cola (drink market) can undertake a full market coverage strategy. Large firms can cover a whole market in two broad ways: through undifferentiated

marketing or differentiated marketing.



DEFINITION OF RETAIL MARKETING

Retail is the sale of goods and services from businesses to an end user (called a customer). Retail marketing is the process by which retailers promote awareness and interest of their goods and services in an effort to generate sales from their consumers. There are many different approaches and strategies retailers can use to market their goods and services (see below).

Retail Marketing Mix: The Four Ps of Retail Marketing

Retailers use various advertising and communication tools to grow awareness and considerations with future customers. Finding the right marketing mix can lead to a profitable growth and a higher return on investment. By considering the right advertising strategy retailers can persuade consumers to choose to do business with their retail brand. The fundamental approach used by modern retailers in marketing their products is the Four Ps of Retail Marketing.

Product: There are two primary types of merchandise. Hard or durable goods like appliances, electronics, and sporting equipment. And soft goods like clothing, household items, cosmetics, and paper products. Some retailers carry a range of hard and soft items like a supermarket or a major retail chain while many smaller retailers only carry one category of goods, like a boutique clothing store.

Price: Pricing is a key element to any retail strategy. The retail price needs to cover the cost of goods as well as additional overhead costs. There are four primary pricing strategies used by retailers:

1. *Everyday low pricing:* The retailer operates in thin margins and attracts customers interested in the lowest possible price. This strategy is used by big box retailers like Wal-Mart and Target.
2. *High/low pricing:* The retailer starts with a high price and later reduces the price when the item's popularity fades. This strategy is mainly used by small to mid-sized retailers.
3. *Competitive pricing:* The retailer bases the price on what their competition is charging. This strategy is often used after the retailer has exhausted the higher pricing strategy (high/low pricing).

4. *Psychological pricing*: The retailer sets the price of items with odd numbers that consumers perceive as being lower than they actually are. For example, a list price of \$1.95 is associated with spending \$1 rather than \$2 in the customers mind. This strategy is also called pricing ending or charm pricing.

Place: The place is where the retailer conducts business with its customers. The place can be a physical retail location or a non-physical space like a catalog company or an e-store. While most retailers are small, independently owned operations (over 90%), over 50% of retail sales are generated by major retailers often called “big box retailers” (see the list of the top 20 big box retailers below).

Promotion: Promotion is the final marketing mix elements. Promotions include personal selling, advertising, sales promotion, direct marketing, and publicity. A promotional mix specifies how much attention to pay to each tactic, and how much money to budget for each. A promotion can have a wide range of objectives, including increasing sales, new product acceptance, creation of brand equity, positioning, competitive retaliations, or the creation of a corporate image.



The Four Ps Revisited: Customer-Oriented Retail Marketing

In recent years, to address the need of taking a more customer-oriented approach to marketing, the 4 Ps of Retail Marketing have been revised and replaced by the 4 Cs: Consumer, Cost, Communication, and Convenience.

Consumer (versus Product): Instead of focusing on the product the retailer wants to sell, a smart retailer studies the wants and needs of its consumers before going to market. The more clearly a retailer understand the wants and needs of its customer base, the greater chance it will have of attracting customers and increasing sales.

Cost (versus Price): In retail a cost is the value of money that has been used up to produce something. Factors that influence cost include the customer's cost to change to a new product and the customer's cost for not selecting a competitors product.

Convenience (versus Place): The Internet has made Place less of a factor in consumer purchasing decisions. Convenience addresses the ease of completing a transaction including the ease of finding information about a product, finding the right product, and purchasing a product.

Communication (versus Promotion): Communications including a range of efforts including advertising, public relations, grassroots efforts, social media, and any other form of communication between the company and the consumer.

Becoming aware of the fundamentals of retail marketing (the four Ps and the four Cs) is critical to becoming a best-in-class retailer.

Retail marketing comprises the activities related to selling products to the consumers through channels such as stores, malls, kiosks, vending machines, or other fixed locations. In contrast, direct marketing to consumers attempts to complete a sale through phone, mail, or web site sales.

Retailing occupies a key role in the world of economy. Retailing involves all the activities incidental to selling to ultimate consumers for their personal, family, and household use. It does this by organizing their availability on a relatively large scale and supplying them to the customers on a relatively small scale.

A retailer is any person/organization instrumental in reaching the goods, or merchandise, or services to the end users. A retailer is a must and cannot be eliminated. Retail marketing comprises the activities related to selling products to the consumers through channels such as stores, malls, kiosks, vending machines, or other fixed locations. In contrast, direct marketing to consumers attempts to complete a sale through phone, mail, or web site sales.



Types of Major Retail Outlets:

Departmental Stores:

A departmental store offers several product lines such as clothing, home furnishing and household goods under one roof. Each line operates as a separate department. For example, Akbarallys.

Speciality Stores:

A specialty store concentrates on a narrow product line or a specialized product line; for example, footwear and jewellery.

Supermarket:

A supermarket provides relatively large low-cost, low-margin, high-volume, self-service operation; for example. Big Bazar.

Convenience Stores:

A convenience store is conveniently located in suburban areas and charges a slightly higher price and provides groceries and non-food items.

Discount Stores:

A discount store offers standard merchandise at low price with low margin and high volume.

Factory Outlets:

A factory outlet is opened and operated by manufacturers, and sells surplus or discounted goods.

Shopping Malls:

Shopping malls are the new format of retail outlets. They provide several products under one roof .They also provide means of entertainment such as mini theatre and food courts.

Marketing research for consumerpackaged goods (CPG).

The consumer packaged goods (CPG) industry faces a complexity of challenges which require creative solutions for brand marketing research. Impact has provided guidance to leading CPG manufacturers as they face the key challenges and growth opportunities within the industry.

- **Product Innovation.** Companies continue to search for new ways to engage customers and build deeper customer relationships. Companies are no longer competing on functionality or price alone. They must now deliver superior products, a unique customer experience and the emotional connection that product packaging, design and style can deliver. Impact Consumer Research supports this challenge through its menu of concept screening, concept building, product guidance, and new product targeting services.
- **Brand Architecture and Product Branding.** There are many differences in approach when businesses are deciding what brands to market, and one of the most crucial is deciding exactly what scope a brand should have. The proper "brand plan" is essential

given an erosion of brands and the flood of new brand introductions. Further, the growth in private labels has created both opportunity and challenges for consumer-packaged goods manufacturers. Impact Consumer Research has assisted our CPG clients in assessing their brand offerings in an increasingly complicated competitive setting.

These challenges mean developing insights on what products consumers need, what they want to buy, and how to reach them, at home and in the store. We offer a full range of marketing research techniques custom designed to achieve the specific research objectives presented by our CPG clients.

Understanding shopper attitudes, preferences and future purchase intentions is crucial for success in the Consumer Packaged Goods industry. Market Research's Consumer Packaged Goods industry market research and strategic advisement services deliver extensive CPG industry domain expertise on each of our client's projects.

Food & beverage producers, over-the-counter drug manufacturers, distributors, investment firms and retail organizations around the world depend on Valient Market Research's Consumer Packaged Goods experts for insightful market research and management consultation services. Utilizing the latest Internet-based primary and secondary market research data collection and reporting technologies, we deliver superior results, insightful analysis and solid, fact-driven strategic recommendations.

Input data Validation

Data validation is the process of checking database to ensure that the information gathered from different data sources is clean, accurate and in a standard format. Data validation can be simple or complex, depending upon the way it is performed. For example, validating email address, or phone numbers is easy. On the other hand, checking different data fields for consistency and accuracy in a master database will be complex. In a nutshell, data needs to be validated at the same stage/level where it's most likely to be erroneous. Following is the description of different types of data validation techniques: Form Level Validation: It ensures that all the fields marked

as mandatory in the web form are filled correctly before the user clicks the submit button on the page

Field Level Validation: It makes certain that users enter correct value across a specific data field. For example, “Name” field can’t have a numeric value, and “email” field should contain a value having “.” and “@”

Data Saving Validation: Data saving validation is used for multiple data entry forms and option screens. User is allowed to save data on any or all tabs/pages before leaving the page

Search Criteria Validation: This type of validation is used when there are multiple search criteria in a form, and user wants to save the search results before navigating to a different page

Range Validation: This validation type is used to make sure that the numeric value, characters or date entered is within the specific range

Data validation authenticates the data for duplicate information, incorrect formats, typos, grammatical and punctuation errors. It is an effective technique to keep the data up-to-date and accurate.

Data management

Vendor Resource

Data management is the practice of organizing and maintaining data processes to meet ongoing information lifecycle needs. Emphasis on data management began with the electronics era of data processing, but data management methods have roots in accounting, statistics, logistical planning and other disciplines that predate the emergence of corporate computing in the mid-20th century.

Introduction to KPO offering

“Market research” is a broad term that covers many different types of investigations, and as a result it’s often misunderstood.

Whether you’re interested in learning more about your customer’s buying habits or how much they might pay for a new product, market research can help (if you use it correctly).

To help you identify which type of market research is right for you, we’re going to outline the different types, their purposes, and when to use each one.

Common Types of Market Research

By “types of research” I don’t necessarily mean *how* you’re collecting data. Instead I mean the procedures and methodology used to analyze the data collected.

These procedures include market segmentation, product testing, advertising testing, key driver analysis for satisfaction and loyalty, usability testing, awareness and usage research, and pricing research (using techniques such as conjoint analysis), among others.

Market Segmentation

When conducting market segmentation studies we’re generally asking survey questions aimed at capturing needs, values, attitudes, behaviors and demographics. A B2B company might also want to investigate firmographic data such as company size, revenues, and product category that are relevant to the industry in question.

Marketing can’t effectively speak to every type of person or business at the same time, so one of the main goals of market segmentation is to allow for more efficient and effective marketing tactics.

Without market segmentation companies are shooting in the dark and wasting valuable bullets. They may hit a customer by accident, but they would miss a lot of others.

Product Testing

A detailed understanding of how your product meets (or doesn’t meet) your customer’s needs is crucial both to product development and marketing, so these types of market research studies need to be conducted throughout a product’s life.

Ultimately you should be able to make informed “go” or “not go” decisions about new features and products *before* launch, and thus save capital, time and effort.

Successful product testing should:

- Give insight into product/service viability by investigating competing and substitute alternatives along side customers' willingness to embrace new products/services.
- Determine competitive advantage as well as possible threats from similar products/services.
- Identify the products with the highest revenue potential.
- Clarify what improvements should be prioritized before a product launch (or re-launch).
- Pinpoint which product features (both existing and potential) are most important to your target audience.
- Help produce marketing messages to change or enhance existing perceptions about your products/services.



Advertising Testing

Like product testing, tests of your advertising campaigns can save you valuable time and resources. By taking potential campaigns directly to your audience and gauging their response you can focus on creating truly impactful advertising.

Satisfaction and Loyalty Analysis

Satisfied customers aren't necessarily loyal customers, but consistently measuring customer satisfaction is a great way to increase customer retention.

This type of research is aimed at identifying key drivers of satisfaction and measuring the likelihood of customers to continue using a company's products and services.

The goals of these kinds of studies are:

- Determine what factors influence loyalty, advocacy, and repeat purchases, including product/service attributes, company operation, customer service, price, etc.

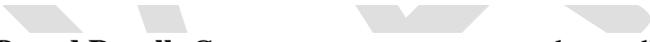
- Carefully monitor overall satisfaction, recommendation likelihood, and defection likelihood over time.
- Provide early warnings about emerging gaps in product/service performance, customer service, and processes that might lead to customer defection.
- Help identify areas of the product or service that need improvement to meet changing needs.
- Guide the creation and/or ongoing development of customer loyalty and retention programs.
- Signal when organizational changes need to be made to improve operations and customer retention.



Brand Awareness and Reach

By conducting regular, well-designed brand awareness surveys you can keep tabs on how effective your marketing campaigns really are.

When done right, a brand awareness survey can help you measure:

- 
- **Brand Recall:** Can a customer spontaneously recall your brand, or do they think first of a competitor?
 - **Brand Recognition:** When presented with a list of brands, does your audience recognize yours as a reputable option?
 - **Brand Identity:** Brand identity is what you as a marketing team create. It's important to determine whether these efforts are being successful.
 - **Brand Image:** While brand identity is created by the brand itself, a brand's image is based in the customer's perception alone. Tracking disparities in these two can reveal gaps in your marketing efforts.

- **Brand Trust:** In an era of data breaches, keeping tabs on your levels of brand trust is key. If your brand doesn't appear trustworthy, you will have difficulty retaining customers.
- **Brand Loyalty:** Loyal customers can become evangelists, but you need to consistently track loyalty levels to determine how often this transformation is happening.
- **Customer Profile:** Changes in your core customer base may signal the need for a pivot, either in the product or your marketing messages (or both).

Pricing Research

Surveys that ask customers to choose between different products with unique features and price points, typically done via conjoint analysis, can help you identify what features are most valuable to your audience and what they'd be willing to pay for them.

Combined with some basic research on your competitors' pricing, these insights can give you a distinct advantage in pricing your products and services.

Knowing Which Type of Research to Use

When to use each of these different types of market research data collection methods and types of research depends on the business issues we are dealing with in one or more of four key areas:

- **Awareness:** let the market know that the product or service exists
- **Targeting:** reach the target segments with the highest profit potential
- **Acquisition:** optimize the marketing message, offer, and price that will close the sale
- **Retention:** generate repeat purchases from current customers

The chart below, which we call the Relevant Wheel, shows when it is most appropriate and relevant to conduct different types of research.



Our clients at Relevant Insights often use this chart as a reference to determine when a particular type of research is needed. Once this is defined, we then discuss the most appropriate qualitative or quantitative data collection methods.

Data Collection and Analysis Methods

Here we need to make a distinction between data collection methods and market research types based on analytical approach, which are often confused. Data collection methods differ based on whether we want to conduct quantitative or qualitative research.

Qualitative research, which is exploratory in nature, usually uses data collection methods such as focus groups, triads, dyads, in-depth interviews, uninterrupted observation, bulletin boards, and ethnographic participation/observation.

Quantitative research, which looks to quantify a problem, collects data through surveys in different modalities (online, phone, paper), audits, points of purchase (purchase transactions), and click-streams.

Possible Questions

Part A (online Exam)

Part B - 2 mark questions

1. What is Market segmentation?
2. Retail marketing explain with example.
3. Explain Input services in market research.
4. Explain Data management.
5. What is Reporting?
6. What is Input data validation?
7. What is KPO?
8. Short note on any two types of Market segmentation.
9. List out the need for market segmentation.
10. What is Marker research?

Part C- 8 marks

1. Discuss in detail about market segmentation and need for segmentation.
2. Discuss in detail about market segmentation and types of segmentation.
3. Enumerate how CPG and Market Research offerings benefits to retail environment?
4. What are the various challenges in CPG and Market research?
5. What is data management and reporting?
6. Explain the Patterns of Market segmentation.
7. CPG and Market Research offerings- Discuss
8. Four Ps of Marketing is more important for Retail market- Discuss

9. Explain the various segmentation criteria.
10. Discuss the importance of market segmentation on the basis of marketing mix.

KAHE

	Question	Option A	Option B	Option C	Option D	Answer
121	skimming, penetration, bargaining and bundling are decided in the _____ of the Marketing Mix strategy.	Price Decisions	Place Decisions	Product Decisions	Promotion Decisions	Price Decisions
122	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.	Material and parts	Consumer products	Industrial products	Capital items	Consumer products
123	A(n) _____ product exceeds customer expectations.	Strategic	Superior	Augmented	Anticipated	Augmented
124	The _____ identifies the product or brand.	Container	Label	Advertisement	Warranty	Label
125	A fundamental part of the distribution function is to get the product:	To the right place at the right time	Launched into new markets	To intermediaries	To market to avoid channel conflict	To the right place at the right time
126	Which of the following is NOT a part of marketing communication mix?	Telemarketing	Public relations	Sales promotion	Advertising	Telemarketing
127	Which of the following 4Ps of marketing mix involves decisions regarding channels coverage, assortments, locations, inventories or transports?	Product	Price	Place	Promotion	Place

128	A company designs the product with little or no input from customers, the company is practicing which of the following concept?	Product concept	Marketing concept	Selling concept	Production concept	Product concept
129	Products that are used directly in the production of a final product but are not easily identifiable are categorised as	accessory products.	consumable supplies.	assembly components	process materials.	process materials.
130	Products that are relatively inexpensive and are purchased frequently with minimal effort can be classified as _____ products.	shopping	convenience	industrial	specialty	convenience
131	According to the text, a product is	everything the customer receives in an exchange	the physical object the customer receives in an exchange.	the service that is rendered to a customer.	the idea that the customer receives in an exchange.	everything the customer receives in an exchange
132	The consumer's estimate of the product's overall capacity to satisfy his or her needs is called:	Product Cost	Product Value	Product need	Product Satisfaction	Product Value
133	Which of the following is a name, term, sign, symbol, design, or a combination of these, that identifies that	Brand	Label	Advertisement	Warranty	Brand

	maker or seller of a product or service?					
134	Aggressive selling is a characteristic of which of the following concept of marketing?	Product concept	Marketing concept	Selling concept	Production concept	Selling concept
135	Which of the following takes place at retailer's end?	Promotion	Placing	Pricing	Exchange	Exchange
136	Which of the following is NOT included in product decisions?	Styling	Brand name	Warehousing	Packaging	Warehousing
137	Identify the products that the customer usually buys frequently and with a minimum of comparison and buying effort.	Specialty	Convenience	Unsought	Augmented	Convenience
138	Price is the only element in the marketing mix that produces:	Fixed cost	Expense	Variable cost	Revenue	Revenue
139	Market –oriented firms focus on:	Retailers	Distributors	Customers	Wholesalers	Customers
140	While considering the place for a product which of the following is important for customer.	Communication	Convenience	Cost	Solution	Convenience
141	All of the following are the examples of unsought goods EXCEPT:	Course books	Encyclopedia	Funeral plots	Insurance policy	Course books
142	Which of the following firms emphasis on product's benefits to the customers rather than on product attributes.	Product concept	Marketing concept	Selling concept	Production concept	Marketing concept

143	Buying and selling of mass consumer goods and services comes under which of the following markets?	Business markets	Global markets	Consumer markets	Government markets	Consumer markets
144	Which of the following BEST describes the consumer's preference for products that are widely available to them?	Product concept	Marketing concept	Selling concept	Production concept	Product concept
145	Need becomes _____ when they are directed towards a specific object.	Actual need	Want	Satisfaction	Demand	Want
146	A television advertisement showing the safety features of the Volvo 240 DL would be best classified as which of the following?	Product advertising	Pioneer advertising	Defensive advertising	Societal marketing	Product advertising
147	Advertising appropriations are largest for which type of product?	Industrial products	Convenience goods	High-priced products	Specialty goods	Convenience goods
148	A consumer contest is an example of _____.	Personal selling	Sales promotion	Advertising	Indirect selling	Sales promotion
149	If the aim of the promotion to introduce a new consumer product is to achieve high awareness levels, the firm will most likely make heavy use of _____ in the promotional mix.	Advertising	Sales promotion	Personal selling	Publicity	Advertising
150	The basic role of promotion is _____.	Information	Manipulation	Communication	Interpretation	Communication
151	Which form of data below can usually be obtained	Primary	Survey research	Experimental research	Secondary	Secondary

	more quickly and at a lower cost than the others?					
152	Secondary data are _____.	Collected mostly via surveys	Expensive to obtain	Never purchased from outside suppliers	Not always very usable	Not always very usable
153	Causal research is used to _____	Describe marketing problems or situations	Gather preliminary information that will help define problems	Test hypotheses about cause-and-effect relationships	Find information at the outset in an unstructured way	Test hypotheses about cause-and-effect relationships
154	Your colleague is confused about using the marketing research process, as he knows that something is wrong but is not sure of the specific causes to investigate. He seems to be having problems with _____, which is often the hardest step to take.	Selecting a research agency to help	Defining the problem and research objectives	Developing the research plan	Determining a research approach	Defining the problem and research objectives
155	In the second step of the marketing research process, research objectives should be translated into specific _____.	Financial amounts	Information needs	Time allotments	Results that justify the means	Information needs
156	Secondary data consists of information _____.	That already exists somewhere and was collected for another purpose	Used by competitors	That the researcher can obtain through surveys and observation	That already exists somewhere and is outdated	That already exists somewhere and was collected for another purpose
157	Which form of data below can usually be obtained more quickly and at a lower cost than the others?	Survey research	Syndicated	Secondary	Primary	Secondary

158	Your assistant wants to use secondary data exclusively for the current research project. You advise him that the use of secondary data has some potential problems. Which of the following is not one of them?	It may not be current.	It may not exist.	It may not be useable	It is generally more expensive to obtain than primary data	It is generally more expensive to obtain than primary data
159	Which method could a marketing researcher use to obtain information that people are unwilling or unable to provide?	Focus groups	Personal interviews	Observational research	Questionnaires	Observational research
160	Survey research, though used to obtain many kinds of information in a variety of situations, is best suited for gathering _____ information.	Attitudinal	Personal	Preference	Descriptive	Descriptive
161	Survey research is least likely to be conducted through which of the following?	Observation	Person-to-person interactions	The telephone	The Web	Observation
162	Which of the following is not a disadvantage of telephone interviews.	Interviewer bias is introduced	Under time pressures, some interviewers might cheat.	Interviewers tend to interpret answers similarly.	They are more expensive to conduct than mail questionnaires.	Interviewers tend to interpret answers similarly.
163	Which form of marketing research is flexible, allows for explanation of difficult	Personal interviewing	Ethnographic research	Observational research	Online interviewing	Personal interviewing

	questions, and lends itself to showing products and advertisements?					
164	What are the two types of research data?	Qualitative and Quantitative.	Primary and secondary.	Predictive and quantitative.	Qualitative and predictive.	Qualitative and Quantitative.
165	What is a major drawback of probability sampling?	Takes too much time	Sampling error cannot be measured	Easiest population from which to obtain info is chosen	Everyone has an equal chance of selection	Takes too much time
166	The most common research instrument used is the	Questionnaire	Moderator	Telephone interviewer	Live interviewer	Questionnaire
167	In marketing research, the _____ phase is generally the most expensive and most subject to error.	Interpreting and reporting the findings	Exploratory	Data collection	Data validation	Data collection
168	Despite the data glut that marketing managers receive, they frequently complain that they lack _____.	Enough information of the right kind	Accurate and reliable information	Quality information	Valid information	Enough information of the right kind
169	The real value of a company's marketing research and information system lies in the _____	Amount of data it generates	Marketing information system it follows	Efficiency with which it completes studies	Quality of customer insights it provides	Quality of customer insights it provides
170	What is the first step in the marketing research process?	Developing a marketing information system	Defining the problem and research objectives	Interpreting data and deciding on type of research	Implementing the research plan	Defining the problem and research objectives
171	In CRM, findings about customers discovered through _____	Data warehouse	Customer loyalty management	Customer relationship strategy	Data mining	Data mining

	techniques often lead to marketing opportunities.		t			
172	What source of marketing information provides ready access to research information, stored reports, shared work documents, contact information for employees and other stakeholders, and more?	An extranet	Marketing intelligence	An intranet	The Internet	An intranet
173	When managers use small convenience samples such as asking customers what they think or inviting a small group out to lunch to get reactions, they are using _____.	Informal surveys	Experiments	Focus groups	Observation	Informal surveys
174	The marketing research process consists of four steps. Which of the following is not one of these steps?	Evaluating the competitor strategies.	Developing the research plan for collecting information	Defining the problem	research objectives.	Evaluating the competitor strategies.
175	What do many researchers encounter when conducting market research in foreign countries?	Some countries have poor roads that limit personal contacts.	Some cultures may not value marketing research.	Some countries have poor mail services	All of the above	All of the above
176	Behavioural targeting, the practice of _____, is being used by more and more companies.	Mining and analyzing data from data warehouses	Tracking customers' activities and	Observing and interacting with consumers in their natural environments	Tracking consumers' online movements	Tracking consumers' online movements and using this information to target

			rewarding customer loyalty		and using this information to target ads to them	ads to them
177	To consumers, research studies may appear to be little more than vehicles for _____.	Gathering names for resale	Building company image	Selling the sponsor's products	Training future salespeople to work with people face-to-face	Selling the sponsor's products
178	Qualitative research is exploratory research used to uncover consumer attitudes, motivations and behavior. What techniques can be applied to obtain qualitative research?	Elicitation interviews.	One to one interviews.	Focus groups.	All of the above	All of the above
179	What are examples of techniques of obtaining qualitative data?	Survey research/questionnaires; focus groups; in-depth interviews; observational techniques; experimentation.	Video conferencing; focus groups; in-depth interviews; observational techniques.	Survey research/questionnaires; focus groups; in-depth interviews; observational techniques; call centre feedback.	None of the above.	Survey research/questionnaires; focus groups; in-depth interviews; observational techniques; experimentation.
180	what new product should be developed" is an example of??	Causal	Exploratory	Descriptive	None of the above.	Exploratory

SYLLABUS

Primary research- Secondary research - Custom Study- Syndicated study- Quantitative research methodology- Qualitative research methodology.

MARKETING RESEARCH

The marketing concept states that the character of the marketing orientated organisation, whether product or service based, profit or non-profit based, is the identification and true delivery of consumers' needs and wants, more effectively and efficiently than the competition.

Hence, in a broad sense, marketing management needs to understand the minds of their target markets, their attitudes, feelings, beliefs and value systems. They require a formalised, managerial approach to this most important job. And this entire job is the basic role and purpose of formal marketing research. Marketing research is the systematic, objective and exhaustive search for study of the facts relating to any problem in the field of marketing. It is systematic problem analysis, model building and fact-finding for the purpose of decision-making and control in the marketing of goods and services.

According to American Marketing Association “marketing research is the systematic gathering, recording and analysing of data about problems relating to the marketing of goods and services.” According to Green and Tull, “marketing research is the systematic and objective search for and analysis of information relevant to the identification and solution of any problem in the field of marketing”. Professor Philip Kotler defines marketing research as “Systematic problem analysis, model-building and fact-finding for the purpose of improved decision making and control in the marketing of goods and services.”

The features of marketing research are:

1. Search for data:

It is a search for data which are relevant to marketing problems – problems in different functional areas of marketing consumer behaviour, product, sales, distribution channel, pricing, ad and physical distribution.

2. It is systematic:

It has to be carried out in a systematic manner rather than haphazard way. The whole process should be planned with a clear objective.

3. It should be objective:

Objectivity is more important in any result. It means that the research is neither carried on to establish an opinion nor is intentionally slanted towards pre-determined results.

4. It is a process:

It involves various steps for gathering, recording and analysing of data.

OBJECTIVES OF MARKETING RESEARCH

Marketing research may be conducted for different purposes. The main objectives or purposes of marketing research are:

- i) To estimate the potential market for a new product to be introduced in the market.
- ii) To know the reactions of the consumers to a product already existing in the market.
- iii) To find out the general market conditions and tendencies.
- iv) To know the reasons for failure of a product already in the market.
- v) To find out the better methods of distributing the products to consumers.
- vi) To know the types of consumers buying a product and their buying motives to know their opinions about the product and to get their suggestion improvement of a product.
- vii) To assess the strength and weakness of the competitors.
- viii) To know the dimensions of the marketing problems.
- ix) To ascertain the distribution methods suited to the product and the

x) To estimate the market share of a firm.

xi) To assess the probable sales volume of a firm.

xii) To assess the reaction of the consumers to the packaging of the firm and to make packaging as attractive as possible.

ADVANTAGES OF MARKETING RESEARCH

i. Marketing research helps the management of a firm in planning by providing accurate and up-to-date information about the demands, their changing tastes, attitudes, preferences, buying

ii. It helps the manufacturer to adjust his production according to the conditions of demand.

iii. It helps to establish correlative relationship between the product brand and consumers' needs and preferences.

iv. It helps the manufacturer to secure economies in the distribution of his products.

v. It makes the marketing of goods efficient and economical by eliminating all type of wastage.

vi. It helps the manufacturer and dealers to find out the best way of approaching the potential

vii. It helps the manufacturer to find out the defects in the existing product and take the required corrective steps to improve the product.

viii. It helps the manufacturer in finding out the effectiveness of the existing channels of distribution and in finding out the best way of distributing the goods to the ultimate consumers.

ix. It guides the manufacturer in planning his advertising and sales promotion efforts.

x. It is helpful in assessing the effectiveness of advertising programmes.

xi. It is helpful in evaluating the relative efficiency of the different advertising media.

xii. It is helpful in evaluating selling methods.

xiii. It reveals the causes of consumer resistance.

xiv. It minimises the risks of uncertainties and helps in taking sound decisions.

xv. It reveals the nature of demand for the firm's product. That is, it indicates whether the demand for the product is constant or seasonal.

xvi. It is helpful in ascertaining the reputation of the firm and its products.

xvii. It helps the firm in determining the range within which its products are to be offered to the consumers. That is, it is helpful in determining the sizes, colours, designs, prices, etc., of the products of the firm.

xviii. It would help the management to know how patents, licensing agreements and other legal restrictions affect the manufacture and sale of the firm's products.

xix. It is helpful to the management in determining the actual prices and the price ranges.

xx. It is helpful to the management in determining the discount rates.

xxi. It is helpful to the management in ascertaining the price elasticity for its products.

xxii. It helps the firm in knowing the marketing and pricing strategy of competitors.

xxiii. It is helpful in knowing the general conditions prevailing in the market.

xxiv. It is helpful to the management in finding out the size of the market for its products.

xxv. It helps the firm in knowing its market share over various time periods.

xxvi. It is quite helpful to a firm in launching a new product.

xxvii. It helps the firm in knowing the transportation, storage and supply requirements of its products.

xxviii. It helps the firm in exploring new uses for its existing products and thereby, increasing the demand for its products.

xxix. It is helpful to a firm in making sales forecasts for its products and thereby, establishing harmonious adjustment between demand and supply of its products.

xxx. It helps the firm in exploring new markets for its products.

LIMITATIONS OF MARKETING RESEARCH

1. It is not a Panacea:

Marketing Research is not the ultimate solution to all marketing problems. Rather it offers accurate information, which can arrive at suitable decisions to solve problem.

2. Not an exact science:

It deals with human behaviour and as such cannot be examined in a controlled environment. There are various and uncontrollable factors which influence marketing forces. This gives scope for wrong conclusions. Hence this leads to marketing research as not being an exact science.

3. Limitation of time:

Its process is lengthy and needs long time to complete it. During the period between starting the research and implementation of decisions, the situation and assumptions may have changed drastically which reduces the utility of research report. Decisions based on such report prove to be obsolete and result in false conclusions.

4. Erroneous findings:

The complicated problems may not be comprehensively studied and their impact properly analysed by the researcher on account of insufficient fund, time and technique. This leads to erroneous findings, which disappoint the management.

5. Not an exact tool of forecasting:

It cannot be used as a foolproof tool of forecasting because there are number of intervening factors between the findings of the research and marketing complex. The forces act and react and interact to give a complex state, which is difficult to be studied.

6. In experienced research staff:

It needs great expertise and well-trained and experienced researcher, interviewer and investigator.

7. Narrow Conception:

Marketing research is a fact-finding exercise. It is not problem oriented. It is of low and questionable validity.

8. Involves high cost:

It is considered as a luxury for the management as it involves high cost.

9. Limitations of tools and techniques:

The validity of marketing research is also limited by the limitation of tools and techniques involved.

10. It is passive:

Its use and effectiveness largely depends upon the ability of executives to get the most value of it.

SECONDARY MARKET RESEARCH

Secondary research is industry data that's already been compiled and organised ready for you to utilise to your advantage. Whether it's previous industry reports or studies by official government bodies, trade associations and chambers of commerce or industry competitors, secondary market data is quantitative information that can often be procured for free or for a very low cost.

The drawbacks to secondary market research are that the data may not be customised to fit your research requirements. So although it might be cheaper and quicker to obtain, it might not be as

useful as primary market research in terms of preparing your business to explore new markets and regions.

Secondary market research methods can be categorised under three different sources:

- Public sources

This category offers a host of valuable information that's often free; from government departments to public libraries. At the British Library, our Business & IP Centre is home to £5m worth of current market reports from leading publishers, as well as up-to-date information for researching key industries.

- Commercial sources

This category is equally valuable, but most commercial data involves cost factors such as subscription and association fees. Whether it's a financial institution, a research and trade association or a publicly traded corporation, it's potentially valuable data that, even in a general sense, can give you a good overview of a marketplace.

- Educational institutions

Another source of data that's sometimes left untapped is research conducted by colleges, universities and technical institutes.

Secondary research is based on information from studies previously performed by government agencies, chambers of commerce, trade associations, and other organizations. For example, U.S. Census Bureau information and Nielsen ratings are secondary market research.

Secondary market research is easy to find, and much of it is free or low-cost. For instance, you can find secondary market research online at government or industry websites, at your local library, on business websites, and in magazines and newspapers.

The downside of secondary market research is that it is not customized to your needs, so it may not be as useful as primary market research. For example, secondary research will tell you how much money U.S. teenagers spent last year on basketball shoes, but not how much they're willing to pay for the particular shoe design your company has in mind.

PRIMARY MARKET RESEARCH

Information that comes directly from the source--that is, potential customers. You can compile this information yourself or hire someone else to gather it for you via surveys, focus groups and other methods. .

When conducting primary market research, you can gather two basic types of information: exploratory or specific. Exploratory research is open-ended, helps you define a specific problem, and usually involves detailed, unstructured interviews in which lengthy answers are solicited from a small group of respondents. Specific research, on the other hand, is precise in scope and is used to solve a problem that exploratory research has identified. Interviews are structured and formal in approach. Of the two, specific research is the more expensive. Figure 3.1 provides a sample cost analysis form for different research methods.

When conducting primary research using your own resources, first decide how you'll question your targeted group: by direct mail, telephone, or personal interviews. If you choose a direct-mail questionnaire, the following guidelines will increase your response rate:

- Questions that are short and to the point;
- A questionnaire that is addressed to specific individuals and is of interest to the respondent;
- A questionnaire of no more than two pages;
- A professionally-prepared cover letter that adequately explains why you're doing this questionnaire;
- A postage-paid, self-addressed envelope to return the questionnaire in. Postage-paid envelopes are available from the post office;
- An incentive, such as "10 percent off your next purchase," to complete the questionnaire.

Even following these guidelines, mail response is typically low. A return rate of 3 percent is typical; 5 percent is considered very good. Phone surveys are generally the most cost-effective. Some telephone survey guidelines include:

- Have a script and memorize it-don't read it.
- Confirm the name of the respondent at the beginning of the conversation.
- Avoid pauses because a respondent's interest can quickly drop.
- Ask if a follow-up call is possible in case you require additional information.

In addition to being cost-effective, speed is another advantage of telephone interviews. A rate of five or six interviews per hour is typical, but experienced interviewers may be able to conduct more. Phone interviews also can cover a wide geographic range relatively inexpensively. Phone costs can be reduced by taking advantage of less-expensive rates during certain hours.

One of the most effective forms of marketing research is the personal interview. They can be either of these types:

- A group survey. Used mostly by big business, group interviews or focus groups are useful brainstorming tools for getting information on product ideas, buying preferences, and purchasing decisions among certain populations.
- The in-depth interview. These one-on-one interviews are either focused or nondirective. Focused interviews are based on questions selected ahead of time, while nondirective interviews encourage respondents to address certain topics with minimal questioning.
- Direct mail

A direct mail questionnaire tends to feature questions that are short and to the point and of interest to the respondent. Any direct mail questionnaire should also feature a covering letter to adequately explain the reasons for the questionnaire.

- Phone surveys

Telephone surveys tend to be more cost-effective than direct mail questionnaires. Another advantage of phone interviews is speed and efficiency. It's possible to carry out half a dozen interviews within the space of an hour; which is certainly far quicker than awaiting questionnaire responses by post. Telephone interviews also allow you to cast your net further, getting responses across a wide geographic range cheaper and quicker than direct mail.

- Face-to-face interviews

The personal interview is one of the most effective forms of primary market research. Whether it's a one-to-one interview or a focus group survey, it's a great opportunity to build rapport with respondents and get their thoughts on product ideas, buying preferences and purchasing decisions.

One-on-one interviews can either be focused or nondirective discussions. Focused interviews are structured around questions selected prior to the interview while nondirective interviews give interviewees the freedom to address topics of their choosing without extensive questioning.

Primary market research is tailored to a company's particular needs and is conducted either by you or by a company that you pay to conduct the research for you. Focus groups, surveys, field tests, interviews, and observation are examples of primary market research.

Primary market research lets you investigate an issue of specific interest to your business, get feedback about your website, assess demand for a proposed service, gauge response to various packaging options, find out how much consumers will pay for a new product, and more.

Primary research delivers more specific results than secondary research, which is an especially important consideration when you're launching a new product or service. In addition, primary

research is usually based on statistical methodologies that involve sampling as little as 1 percent of a target market. This tiny sample can give an accurate representation of a particular market.

The downside of professionally conducted primary market research is that it can be expensive — several thousand dollars or more. Fortunately, a growing number of online tools allow you to conduct primary research such as surveys yourself at very little cost.

DIFFERENCE BETWEEN PRIMARY RESEARCH VS SECONDARY RESEARCH

BASIS FOR COMPARISON	PRIMARY RESEARCH	SECONDARY RESEARCH
Meaning	Research conducted to gather first-hand information, for the current problem is called Primary Research.	Secondary Research is one that involves use of information gathered originally by primary research.
Based on	Raw data	Analysed and interpreted information

BASIS FOR COMPARISON	PRIMARY RESEARCH	SECONDARY RESEARCH
Carried on by	Researcher himself	Someone else
Data	Specific to the needs of researcher.	May or may not be specific to the needs of researcher.
Process	Very Involved	Rapid and Easy
Cost	High	Low
Time	Long	Short

SYNDICATED RESEARCH AND CUSTOM RESEARCH

A research study which is conducted and funded by a market research firm but not for any specific client is called a syndicated research. The result of such research is often provided in the form of reports, presentations, raw data etc. and is made available in open market for anyone to purchase.

In syndicated research the research problem and scope of research is formulated by market research companies based on their experience and methodology. Thus they often need refinement when you want to use them in lieu of custom market research.

Syndicated market studies are created and sold by marketing research firms for widespread use by multiple companies. Many businesses in a similar sector can purchase the same generic study and apply its broad, overarching data points to their business strategy.

Custom market research, however, is created specifically for one company, making the data proprietary and unique to their specific product or service. With this exclusive access, companies gain distinct market insights into their company's particular innovation — enabling unique brand awareness, personal access to hard-to-reach industry leaders and more accurate decision-making. The reusability of syndicated research makes it a cheaper alternative to custom research, but its broad, imprecise assessments may not deliver the clarity, competitive exclusivity or timeliness that your innovation requires (read: deserves).

The advantages of investing in custom research are clear. While new and emerging companies used to struggle to afford custom data, especially to reach an international audience, market research is evolving — and researchers are utilizing new, immensely powerful technologies that make custom data faster, cheaper and more accessible for all.

DIFFERENCE BETWEEN CUSTOM STUDY AND SYNDICATED STUDY

A syndicated research provider focuses solely on specific types of data such as scan data, surveys or product launch analysis and provides bigger picture and long-term strategic insights. A firm can specialise in research for one industry or may cover multiple industries. Many companies use syndicated information as a cost-effective way to gain a broad view of their product or service environment.

Benefits to working with a syndicated market research provider include: overall market insights, market strategy and brand positioning. Beyond understanding the size of the population and spend in any given market, syndicated research provides context on macro-level trends.

For example, Euromonitor International's Passport database provides syndicated research for 27 different industries in more than 80 countries globally. A soft drinks company could purchase a Passport subscription that covers all areas in which their business may overlap such as: soft drinks, hot drinks, retailing and consumer foodservice, to see how well their competitors are doing and gain insight on the latest trends within the 80 countries researched. This information may help them develop a viable for market entry strategy or to decide which type of new products to consider introducing into a new market. This data and analysis is very useful but because it is syndicated, it is provided to all other buyers of the Passport database, offering no opportunities for customisation or deeper insights.

So what if the information a business requires is so niche, so unique, that syndicated research does not fulfill strategic business needs? When syndicated research is incapable of providing the best insights, custom or bespoke research can be an alternative solution for businesses.

Custom research offers a tailored approach for researching niche topics. For example, a company wants to obtain information about snack bars, particularly Clif and KIND, beyond their traditional brand shares. The business also wants to look at product formulations and enhancements to see if it is possible to increase sales for the brands and the overall category. This type of information would call for a custom research project.

A benefit to working with a custom research firm is that a company can control the requirements for a project, ensuring that all results, data and analysis fit specific needs. A packaged food company can consult with a market research provider to design projects to explore the head room of an existing portfolio, or the white spaces in adjacent categories and the underlying growth drivers in a given market. This same company may also choose bespoke research to uncover greater detail about a given supply chain, key players or alternative distribution channels.

Another business might work with a research provider to create a scorecard for their frozen food products. A scorecard is a framework used to compile data such as brand and company presence, consumer and demographic infrastructure and market sizes and growth rates. In this case, the frozen food company wants to expand internationally, thus the custom research provider creates

the scorecard to analyse the frozen food space within 30 key countries. Once the list of countries is narrowed down, the analysts can review data by product type and compile the numbers to provide a full list of the top countries best suited for the frozen food company's expansion strategy.

Additional custom research projects can include: supporting IPO, segmentation analysis, market analysis, market entry and export market development, economic impact analysis, forecasting, competitive analysis, industry benchmarking, competitive landscape, merger and acquisition screening, partner search, trade dynamics, exports and advanced modelling and analytics data. They can focus on quantitative or qualitative data on a variety of industries or countries. The options for custom research are endless, as they are uniquely designed for the company who commissions them.

While many companies begin implementing business strategies using syndicated research, as their strategies advance, so do their methods by which they obtain information. Many large companies rely on a mix of both syndicated and custom research to address major hurdles within their overall strategy. When searching for a market research provider, look for one that can serve both syndicated and custom research needs.

QUANTITATIVE VS. QUALITATIVE RESEARCH: WHAT'S THE DIFFERENCE

The process of conducting primary market research and collecting market research data and information can be broken down into two methods; quantitative and qualitative research. Each method involves a different process, and reveals different information. However, it has been noted by business professionals and academic experts that in order to gain a full understanding of a business environment, the market place and the consumers within it, it is wise to conduct both quantitative and qualitative market research.

Quantitative Market Research

Quantitative market research is the collection of numerical data often resulting in statistical analysis to understand trends in the data. The main characteristic of quantitative market research is that it allows for comparisons and trends in the data to be easily found and understood. It should also be noted that as a result of the standardised questions, quantitative market research is a more structured market research process and can therefore involve a larger number of respondents to participate in the research.

There are several different types of data collection in quantitative market research;

- Mail
- Face-to-face
- Telephone
- Email
- Online / web

It is important to carry out quantitative research before starting a new business, launching a new product, or service as it gives factual figures and data that highlights target market interest and can help secure investors, as the risk of their investment is reduced as future demand is shown. It also enables managers to compile sales forecasts and revenue. These can be done through the use of target market response rates and any pricing information or preferences that are revealed by respondents during the research.

Qualitative Market Research

Qualitative market research provides reasoning for consumer actions, opinions, wants and needs; it helps the marketer to understand why a consumer has acted and purchased in a certain way. This type of market research differs from quantitative market research as it does not follow a predetermined set of questions. Instead the research sets out topic, or discussion guides, to ensure that the research aims are still met and the appropriate questions are asked to the participant. During the research, the researcher is able to explore the discussion guide in great detail allowing for long discussions to develop; revealing a vast amount of information. Further to this, qualitative market research can be difficult for researchers to obtain all information discussed

during the interview. As a result of this, qualitative market research is usually recorded to ensure all information is collected for analysis.

Qualitative market research, as with quantitative market research, has several different methods;

- Focus groups containing (6 – 8 participants)
- Mini group discussion (4 – 5 participants)
- Triad (3 respondents)
- Paired (2 respondents)
- ‘One on one’ depth interview (1 respondent)

It is important to carry out qualitative market research as it highlights target market opinion on the business idea, product or service. By understanding these views it can allow a manager to alter and adapt their idea to ensure consumer satisfaction and competitiveness within the market; the product or service is needs the customer needs and wants which will allow them to be competitive.

Both quantitative and qualitative market research can be conducted first. The method to choose first is dependent on the following;

Qualitative market research should be conducted before quantitative market research if the project concept has not previously been researched. In this situation qualitative market research will enable the researcher to understand the consumer’s initial and unbiased reaction and opinions to the new concept with no external influencers such as past experience with similar products. It is important with a new concept to first understand areas of improvement, modification before moving forward towards validating the final concept through quantitative market research.

Quantitative market research should be conducted before qualitative market research if the project concept has been previously researched to some extent and some initial information from previous research has been absorbed. By conducting quantitative market research first, it allows a start-up or entrepreneur to understand the current feasibility of a project before understanding why the results read as they do. Quantitative market research highlights areas of further

investigation before exploring the reasons through qualitative market research. Further to this quantitative market research allows the researcher to gauge a general understanding of the market before taking the time to adapt their research into a more specific and customised survey as part of qualitative market research.

Quantitative Research – This research aims to objectively measure the topic at hand, using mathematics and statistics. If you are doing quantitative research, you will most likely be analyzing raw data with the help of a spreadsheet software program like Microsoft Excel, or a statistical package like SPSS. To facilitate this type of analysis, your data will need to be gathered in a structured format. Quantitative research is often conducted using market research methods like surveys and experiments, which are best at collecting structured data.

Remember that original primary research may not be necessary to conduct quantitative analysis. There are many secondary research data sources available that have structured data perfect for quantitative analysis (a good example is gapminder).

Example: Every day, a one-question survey is conducted at the website How Stuff Works. They've got an entire archive of random questions they've asked, in case you are interested. These surveys are simple examples of quantitative research, because they can be analyzed numerically. The example below shows response percentages for the question "who is your favorite Disney character?" As you can see, the data was collected in a structured way (multiple choice question) and the results are summarized in an objective, statistical fashion.

The Question: Favorite Disney Character?

The Results:

Answer	Per %	Graph
Mickey Mouse	27.5%	
Donald Duck	35.3%	
Goofy	22.8%	
Pluto	10.5%	
Minnie Mouse	4.0%	

There were 1078 answers on 11/18/2007

Example of Quantitative Research Analysis (Source: HowStuffWork.com)

Qualitative Research – Unlike quantitative research, qualitative research is typically unstructured and exploratory in nature. In this case, the researcher is not interested in determining objective statistical conclusions or in testing a hypothesis, but rather in gaining insights about a certain topic. Common qualitative research techniques include focus groups, interviews, and observation.

Since the data is unstructured—imagine a bunch of handwritten notes from a focus group meeting—it can be tricky drawing conclusions and presenting the findings. In the case of interviews and focus groups, the moderator may simply take some time to write up the key points heard in the meeting, and then present those key points to the interested parties. For example, in a focus group about pizza, you might see the following summary: “common concerns among participants were cheese overuse, greasiness, and bland sauce.”

Another approach when it comes time for qualitative analysis is to “code” the unstructured data, in an attempt to form the data into something that can be summarized with tables or charts. If the researcher conducted 20 interviews and asked similar questions to each person, responses might be summarized, or “coded,” into short descriptions. A coded response to the question “when do you wear a watch?” might be something like “3 – formal situations.” You can imagine other answer codes might be “1 – never,” “2 – everyday,” etc. With the conversations summarized into these coded responses, the data has been converted from purely qualitative data into quantitative data that can be summarized in charts and graphs.

Yet another qualitative analysis method is automated content analysis. Let’s say you have a big heap of unstructured text that you’ve typed up during a focus group. You could manually look through the notes and draw some conclusions. You could also take that text and dump it into a content analyzer (e.g. wordle), that will look for word frequency and kick out a nifty “word cloud” of the key words being used. This method provides a quick way to gain insights into the unstructured data, especially when the set of data is overwhelmingly large.

Example: Let’s look at an example of qualitative research from start to finish. Imagine you work at a bowling alley and you have a little form at each lane that asked “how was your experience today?” Let’s assume there are 100 responses, including comments like “great, the staff was so courteous” and “terrible, I’ve never bowled so poorly in my life.” When the boss asks, “how is

the feedback so far?" you scratch your head because you are not quite sure how to summarize the data. You have a few choices here. (1) You could take the pile of 100 cards and dump them on your boss' desk and say, "here, why don't you look through them yourself?" Some managers will be OK with this response. (2) You could look through the cards, notice some key themes and tell your boss, "most of the feedback is positive, but there were several comments about the bathroom being too dirty." (3) You could go a step further and code each response into a spreadsheet, perhaps classifying each response as positive, negative, or neutral, and perhaps into sub-categories like "food," "cleanliness," "staff," or whatever makes sense. Then you could return to your boss and say something like "65% of responses were positive, with 1/3 of those mentioning the food."

Possible Questions

Part A (online Exam)

Part B - 2 mark questions

1. What is Primary research?
2. What is Secondary research?
3. What is Custom Study?
4. What is Syndicated study?
5. What is Quantitative research methodology?
6. What is Qualitative research methodology?

Part C- 8 Marks

1. Discuss in detail about various types of market research.
2. What is Primary Research and Secondary Research? Discuss the difference between Primary Research and Secondary Research.
3. What is Custom Study and Syndicated study? Discuss the difference between Custom Study and Syndicated study.
4. What is Quantitative and Qualitative research? Discuss the difference between Quantitative and Qualitative research.
5. Explain the features and objectives of Market research.
6. What are the Limitations of Market research?

Unit IV Mcq

181	Sources of marketing information are categorized into two groups - what are they?	External sources; internal sources.	Macro environmental sources; micro environmental sources	Causal resources.	All of the above	External sources; internal sources.
182	What are the criteria for evaluating secondary data sources?	Source of data; who collects the data; method of data collection; construct of research.	Source of data; who collects the data; method of data collection; construct of data.	Relevance of data; who collects the data; method of data collection; who paid for the research.	Relevance of data; who collects the data; method of data collection; evidence of careful work.	Relevance of data; who collects the data; method of data collection; evidence of careful work.
183	What are three popular methods for obtaining primary data?	Experimentation ; personal interview; Delphi technique.	Survey; interviews; experimentation .	Interviews and surveys; observation; experimentation .	Interviews and surveys; observation; Harrison methodology.	Interviews and surveys; observation; experimentation.
184	The marketing information system (MIS) begins and ends with _____	Marketing managers	Marketing intelligence	Information technologies	Consumers	Marketing managers
185	Which of the following represents major public policy and ethics issues in marketing research?	Intrusion on and abuse of consumer privacy	Representing database compilation and promotional pitches as 'pure' research	Intrusion on consumer privacy and the misuse of research findings	False claims and pushy sales representatives	Intrusion on consumer privacy and the misuse of research findings
186	What is the first stage of the marketing research process?	Implement the research plan	Collect and analyse the data	Define the research problem	Report the findings	Define the research problem

187	Primary data is _____.	Always collected before secondary data	Collected for the specific purpose at hand	Information that already exists	Data collected for other purposes	Collected for the specific purpose at hand	
188	What are the two major advantages of collected data through telephone interviews?	Sample control and speed of data collection	Cost and response rate	Cost and speed of data collection	Control of interviewer effects and quantity of data collected	Sample control and speed of data collection	
189	A powerful tool use in longitudinal research with exactly same people, group or organization across time periods is called.....	Focus group	consumer panel	RSA	None of the above	consumer panel	
190 is the variation of the panel with data being collected from retail stores on the product being stocked, shelf placed , sale and promotion , so on	Retail shop audit	consumer panel	TRP	RSA	Retail shop audit	
191	The advertising is selecting slots for the advertising on the basis of which study?	Retail shop audit	consumer panel	TRP	Media Audience tracking study.	Media Audience tracking study.	
192	What is TRP?	Television Rating point	Television rating part	Television Rating process	Television Rader process	Television Rating point	
193	_____ research is the gathering of primary data by watching people.	Survey	Informative	Observational	Experimental	Observational	
194	Market research is function linking the consumer customer and public to market through	The media	Information	Market research	All of the above	Information	
195	Marketing research is related to.....	Finance process	Marketing Process	Business Process	All of the above	Marketing Process	
196	Source of research problem include	Researcher's experience	Practical issue that require	Theory and past research	All of the above	All of the above	

			solutions				
197	A..... is written account of the plan for the research project.	Research design	Research proposal	Hypothesis	research statement	Research proposal	
198	Customer Satisfaction is an example of which of research design?	Qualitative	Quantitative	Causal	Both A and B	Qualitative	
199	Following are techniques of Qualitative Research ?	Depth interview	Focus group	Projective technique	All of the above	All of the above	
200	The first step in the marketing research process is:	Gathering the budget necessary to conduct the research	Establishing the need for marketing research	Getting approval from top management to do research	Finding an appropriate marketing firm to carry out the research project	Establishing the need for marketing research	
201	Interview is an example of which data??	Primary	Survey research	Experimental research	Secondary	Primary	
202	The existing company information is an example of which data??	Primary	Survey research	Experimental research	Secondary	Secondary	
203	The word "retail" has been derived from which word?	Latine	Greek	French	Persian	Greek	
204	Who is the last link in the chain connecting the producer and customer ?	wholesaler	retailer	agent	storekeeper	agent	
205	Internet marketing and telemarketing are the recent trends in business	retail	conventional	wholesale	manufacturing	retail	
206	In the distribution channel ... has the direct touch with consumers.	producer	wholesaler	retailers	agent	retailers	
207	MRP stands for.	minimum retail price	maximum retail price	minimum rate of profit	maximum rate of profit	maximum retail price	
208	Multiple shops are also known as –	self service stores	chain stores	departmental stores	shopping by post	chain stores	

209	Door to door selling is carried out by	hawkers and peddlers	cheap jacks	second shop	retailers	hawkers and peddlers
210	There is no shop assistants in a	super Markets	departmental store	multiple shop	second shop	super Markets
211	No middle men is involved in –	wholesale trade	direct marketing	retail trade	indirect marketing	direct marketing
212	Shopping malls, super markets and hypermarkets come under which type of marketing?	wholesale	retail	direct marketing	agent service	retail
213	Which of the following statement about retail marketing is true	sells products to other businesses	sells products to final consumers	sells products to a company that resells them	sells products for one's own use	sells products to final consumers
214	A multi channel retailer sells merchandise	over telephone	through retail stores	over internet	over more than one channel;	over more than one channel;
215	E-retailing refers to	sales of electronic items	catalog shopping	computerized store	retailing and shopping through internet	retailing and shopping through internet
216	What is the full form of VAT?	value added tax	very important additional tax	value additional tax	value added theory	value added tax
217	Mail order retailing is the same as:	Direct selling	In Home retailing	E-tailing	Catalog retailing	Catalog retailing
218	All of the following are types of non store retailing, except	Catalog retailing	Vending Machines	Chain store	Direct Mail	Chain store
219	Person to person interaction between a retailer and a prospective customer is:	Direct marketing	Direct selling	Automatic selling	Buying service	Direct selling
220	Independent retailers who use a central buying organization and joint promotional efforts are called a	merchandising conglomerate	corporate chain store	retailer cooperative	voluntary chain	retailer cooperative
221	A retail firm owned by its customers in which	corporate chain store.	merchandising conglomerate	retailer cooperative	consumer cooperative	consumer cooperative

	members contribute money to open their own store, vote on its policies, elect a group to manage it, and receive dividends is called a						
222	The oldest and most heavily trafficked city area is called	regional shopping center	prime location	urban district	Central business district	Central business district	
223	Giant retailers called _____ concentrate on one product category such as toys or home improvement	Category killers	Variety stores	supercentres	box stores	Category killers	
224	Retailers such as Benetton, The Body Shop, and Marks and Spencer carry mostly own- brand merchandise. These are called _____ brands	creative label	private label	house	retail label	private label	
225	A _____ fee is the charge many supermarkets impose for accepting a new brand to cover the cost of listing and stocking it.	inventory	slotting	initiation	stocking	slotting	
226	Which of the following is not one of the four major decisions that must be made with regard to market logistics?	How should orders be handled?	Where should stock be located?	How much stock should be held?	How should stock be financed?	How should stock be financed?	
227	Which statement is not a benefit of formulating a retail strategy?	A retailer is forced to study the legal, economic, and competitive market	A retailer is shown how it can differentiate itself from competitors.	Sales maximization is stressed.	Crises are anticipated and often avoided.	Sales maximization is stressed.	
228	A retailer's commitment to a	objectives	organizational	retailing concept	image	organizational mission	

	type of business and to a distinctive role in the marketplace is its:		mission				
229	Which form of organization is subject to double taxation?	sole proprietorship	partnership	corporation	franchise	corporation	
230	When retailers identify customer segments and develop unique strategies to meet the desires of these segments, they are using:	mass merchandising	niche retailing	bifurcated retailing	middle market retailing	niche retailing	
231	Those aspects of business that a retailer can directly affect, such as store hours and merchandise lines carried are referred to as:	controllable variables	lifestyle measures	demographic statistics	uncontrollable variables	controllable variables	
232	Which is not considered one of the elements of "managing a business" in a retail strategy?	the retail organization	human resource management	operations management	merchandise management and pricing	merchandise management and pricing	
233	A systematic procedure for analyzing the performance of a retailer is called:	control	strategic planning	feedback	retail audit	retail audit	
234	During each stage in the development of a retail strategy, retail managers should:	consider only controllable variables	refrain from "fine tuning" the strategy	look for both positive and negative feedback	consider no problems with the government to be a form of negative feedback	look for both positive and negative feedback	
235	Which of the following is a recommended strategy for retailers when consumers select the outlet first and the brand second?	Appropriate pricing	Brand availability advertising	Brand image management	Price special on brands	Appropriate pricing	
236	Which of the following types	Partnership and	Partnership and	Private company	Private company and	Partnership and sole	

	of retail businesses have unlimited liability?	sole trader	private company	and sole trader	public company	trader	
237	Any source of products or services for consumers is referred to as a _____.	Retail outlet	Contact point	Transaction point	Distribution outlet	Retail outlet	
238	The retailer is usually in an excellent position to	Make the most profits in the channel	Be the channel leader	Gain feedback from consumers	Co-ordinate the production strategy	Gain feedback from consumers	
239	Consumers acquiring product through mail, telephone, or computer orders is referred to as	Outsourcing	Outlet shopping	Non-traditional shopping	In-home shopping	In-home shopping	
240	Which of the following is the major reason consumers give for shopping online?	Want product delivered	Unique merchandise	Price	Convenience	Convenience	

SYLLABUS

Consumer research- Importance- Consumer research cycle- Research for new product and existing product- Media research- Importance – Types- Media data- Retail audit- Importance- Retail data- Data validation- Retail Audit reports – Consumer panels- Importance- Type of consumer panel

Consumer Research

Part of market research in which the preferences, motivations, and buying behavior of the targeted customer are identified through direct observation, mail surveys, telephone or face to face interviews, and from published sources (such as demographic data).

Consumer research, sometimes known as market research, is a valuable business tool that can help you understand your customers and what makes them tick. Looking at the driving forces behind customer behavior, consumer psychology and purchase patterns, it uses research techniques to provide objective information that you can use to craft products, marketing programs and advertising campaigns that increase sales and profitability.

Consumer research is the foundation of many marketing departments. The information it provides gives you feedback on products, marketing campaigns and future products or services, for example. Marketing executives rely on the results of timely and effective consumer research to make both day-to-day and long-term strategy decisions. The results of consumer research also help to determine the most effective use of advertising and marketing dollars in a budget.

Successful businesses have extensive knowledge of their customers and their competitors. Market research is the process of gathering information which will make you more aware of how the people you hope to sell to will react to your current or potential products or services.

Whether you are aware of it or not, as a business owner you conduct market research all the time. When you talk to customers about your business or check out the prices of your competitors you are conducting market research. Formalizing the process can produce a wealth of information about your products and services, your customers and the marketplace you operate in.

The level of complexity used in your market research campaign is up to you, as market research can cover a broad spectrum of activities. You can undertake simple activities that can be done on your own, such as creating a short customer satisfaction questionnaire or studying demographic data for your area, or undertake complex ones that require assistance from a professional market research firm. Regardless of the size of your market research budget, the time you have available or your level of experience, some form of market research is possible and it can help you to improve your business decisions.

IMPORTANCE OF CONSUMER RESEARCH

The goal of doing market research is to equip yourself with the information you need to make informed business decisions about start-up, innovation, growth and the 4 'Ps': product, price, place and promotion.

Product — Improve your product or service based on findings about what your customers really want and need. Focus on things like function, appearance and customer service or warranties.

Price — Set a price based on popular profit margins, competitors' prices, financing options, or the price a customer is willing to pay.

Placement — Decide where to set up and how to distribute a product. Compare the characteristics of different locations and the value of points of sale (retail, wholesale, and online).

Promotion — Figure out how to best reach particular market segments (teens, families, students, professionals, etc.) in areas of advertising and publicity, social media, and branding.

Part of being prepared with market research is avoiding unpleasant surprises. Intuition and experience can be helpful at times, but research and facts often paint a more accurate picture of your market. By conducting research on a regular basis, you can keep up with the dynamics of the economy and demography. You can also adjust to new regulations and technological breakthroughs.

Market research can help you:

- Understand your customers and their preferences (4 Ps)

- o Profile your customers (location, age, gender, income level, etc.)
- o Create more effective marketing campaigns
- o Find the best business location
- Identify opportunities to grow and increase profits
 - o Recognize changes in demand
 - o Offer new products or services for the new demand
 - o Find new markets within and outside of Canada
- Recognize and plan for industry and economic shifts
 - o Shift inventory, price and staff levels as needed
- Monitor the competition in your market
 - o Identify competitors
 - o Get information on how your competitors operate
 - o Learn how customers compare you with your competitors
- Mitigate risk in your business decisions
 - o Use information, not just intuition, to drive your business decisions.

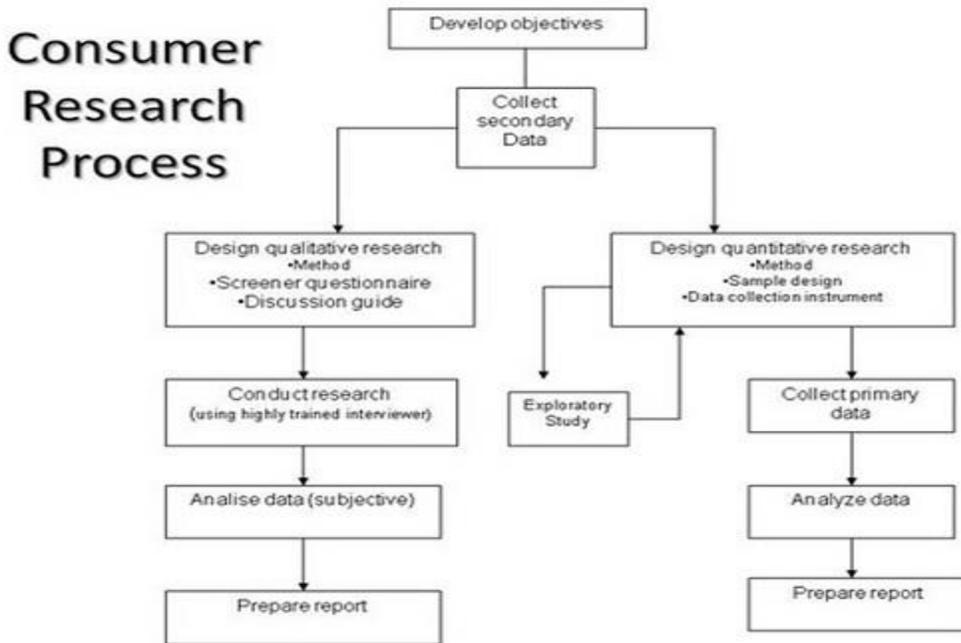
CONSUMER RESEARCH CYCLE

Developing Research Objectives

The first step in the consumer research process is developing the research objectives which involves defining the purposes and objectives to ensure an appropriate design. A statement of objective helps to define the type and level of information needed.

Collect Secondary Data

There are two distinct sources of secondary data – internal and external. Always seek internal sources first. Most go straight to Google without considering the fact that data might exist within the organization itself. This can sometimes be in the ‘heads’ of the personnel.



External Sources

External sources are numerous. Consumer Generated Media (CGM), especially, has grown in importance as a data source. The key is to avoid spending too much time following ‘blind alleys’. This is where the time and cost can escalate sharply.

- Directories
- Country information
- Published marketing research reports
- News sources
- CGM (Newsgroups, blogs, groups)
- Internet – single search engines, and multiple search engines

Primary Research

Primary research is basically the original research. Here you yourself collect the information through various tools available. In primary research, you don't tend to depend on any third parties. You may conduct interviews or surveys, observe, or even directly go to the object for collecting information.

Quantitative Research

A quantitative research study is comprised of research design, the data collection methods, instruments to be used, and the sample design.

Following are the three basic designs or approaches used for quantitative design –

- **Observational Research** – In this method of observational research, the people or customers are observed effectively when they purchase a particular product. It helps the researcher to gain in-depth understanding of the relationship between the people and products by observing them while purchasing and using the product.
- **Experimentation** – Experimentation is a type of research where only certain variables are manipulated while others are kept constant in order to encourage the change in the constant variable
- **Surveys** – A survey is a method of research in which an interviewer interacts with respondents to obtain facts, opinions and attitudes.

Following are the various survey methods which are generally used –

- Personal interview survey
- Telephone survey
- Mail surveys
- Online surveys
- Quantitative research data collection instruments

Data Collection Instruments for Quantitative Research Data

Questionnaire and Attitude Scale – For quantitative research the primary data collection instrument is a questionnaire and the most frequent one is attitude scale which is used to capture evaluative data.

Following are the important methods of data collection in the qualitative design techniques which are used in the initial stages of research.

- **In-Depth Interview** – Depth interview is conducted in length and in a non-structured manner where the interviewer is highly trained and minimizes his own participation in the discussion once the general subject is discussed.
- **Focus Group** – Focus group involves many respondents who interact with the analyst in a group discussion and focuses on a particular product.

Projective Techniques

Projective techniques are best used to understand the motives of people when they are unconsciously rational.

The analyst generally analyzes and reports his findings based on the responses received in qualitative research whereas in quantitative analysis, the researchers oversees the complete research, analyses the open ended questions, classifies the responses and systematically tabulate them.

RESEARCH FOR NEW PRODUCT

The New Product Development process is often referred to as The Stage-Gate innovation process, developed by Dr. Robert G. Cooper as a result of comprehensive research on reasons why products succeed and why they fail.

When teams collaborate in developing new innovations, having the following eight ingredients mixed into your team's new product developmental repertoire will ensure that it's overall marketability will happen relatively quick, and accurately – making everyone productive across the board.

Step 1: *Generating*

Utilizing basic internal and external SWOT analyses, as well as current marketing trends, one can distance themselves from the competition by generating ideologies which take affordability, ROI, and widespread distribution costs into account.

Lean, mean and scalable are the key points to keep in mind. During the NPD process, keep the system nimble and use flexible discretion over which activities are executed. You may want to develop multiple versions of your road map scaled to suit different types and risk levels of projects.

Step 2: Screening The Idea

Wichita, possessing more aviation industry than most other states, is seeing many new innovations stop with Step 2 – screening. *Do you go/no go?* Set specific criteria for ideas that should be continued or dropped. Stick to the agreed upon criteria so poor projects can be sent back to the idea-hopper early on.

Because product development costs are being cut in areas like Wichita, “prescreening product ideas,” means taking your Top 3 competitors’ new innovations into account, how much market share they’re chomping up, what benefits end consumers could expect etc. An interesting industry fact: Aviation industrialists will often compare growth with metals markets; therefore, when Boeing is idle, never assume that *all airplanes are grounded*, per se.

Step 3: Testing The Concept

As Gaurav Akrani has said, “Concept testing is done after idea screening.” And it is important to note, it is different from test marketing.

Aside from patent research, design due diligence, and other legalities involved with new product development; knowing where the marketing messages will work best is often the biggest part of testing the concept. Does the consumer understand, need, or want the product or service?

Step 4: Business Analytics

During the New Product Development process, build a system of metrics to monitor progress. Include input metrics, such as average time in each stage, as well as output metrics that measure the value of launched products, percentage of new product sales and other figures that provide

valuable feedback. It is important for an organization to be in agreement for these criteria and metrics.

Even if an idea doesn't turn into product, keep it in the hopper because it can prove to be a valuable asset for future products and a basis for learning and growth.

Step 5: *Beta / Marketability Tests*

Arranging private tests groups, launching beta versions, and then forming test panels after the product or products have been tested will provide you with valuable information allowing last minute improvements and tweaks. Not to mention helping to generate a small amount of buzz. WordPress is becoming synonymous with beta testing, and it's effective; Thousands of programmers contribute code, millions test it, and finally even more download the completed end-product.

Step 6: *Technicalities + Product Development*

Provided the technical aspects can be perfected without alterations to post-beta products, heading towards a smooth step 7 is imminent. According to Akrani, in this step, "The production department will make plans to produce the product. The marketing department will make plans to distribute the product. The finance department will provide the finance for introducing the new product".

As an example; In manufacturing, the process before sending technical specs to machinery involves printing MSDS sheets, a requirement for retaining an ISO 9001 certification (the organizational structure, procedures, processes and resources needed to implement quality management.)

In internet jargon, honing the technicalities after beta testing involves final database preparations, estimation of server resources, and planning automated logistics. Be sure to have your technicalities in line when moving forward.

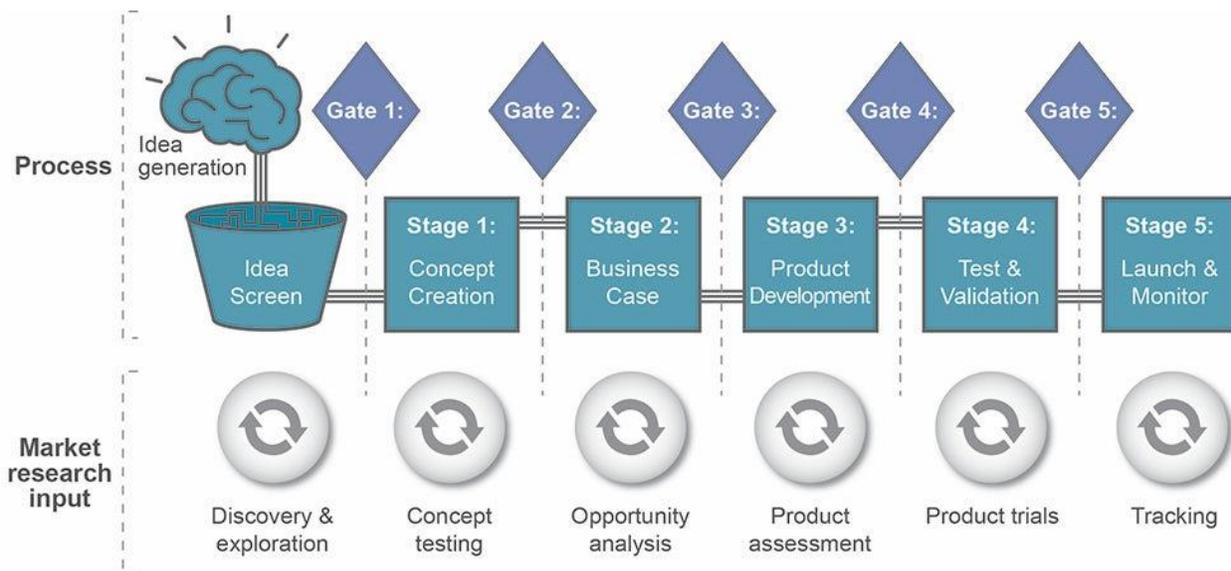
Step 7: *Commercialize*

At this stage, your new product developments have gone mainstream, consumers are purchasing your good or service, and technical support is consistently monitoring progress. Keeping your

distribution pipelines loaded with products is an integral part of this process too, as one prefers not to give physical (or perpetual) shelf space to competition. Refreshing advertisements during this stage will keep your product's name firmly supplanted into the minds of those in the contemplation stages of purchase.

Step 8: Post Launch Review and *Perfect Pricing*

Review the NPD process efficiency and look for continues improvements. Most new products are introduced with introductory pricing, in which final prices are nailed down after consumers have 'gotten in'. In this final stage, you'll gauge overall value relevant to COGS (cost of goods sold), making sure internal costs aren't overshadowing new product profits. You continuously differentiate consumer needs as your products age, forecast profits and improve delivery process whether physical, or digital, products are being perpetuated.



Market Research in Existing Product Development

According to a recently released white paper by B2B International, about 90% of product research focuses on improvements to a product, such as 'additions' and 'modifications' rather than on an entirely new concept. And product improvements are more readily accepted over a brand new product, which can be more risky. The paper suggests using market research to

minimize against the risk associated with any type of product development - sort of like a form of insurance.

1. Pre-Birth – “Establishing Needs” Can help determine the need for a new product, provide insight into a market’s unmet need, and provide a temperature check for the current landscape.

2. Youth – “Stimulating Product Take-Up”Can guide all elements of the marketing mix, to better understand your current position, where you want your product to be, and how to get to that point.

3. Maturity – “Improving Product Performance” Can aid in determining optimal price points, market share and size, and interest towards the consumption of the product.

4. Old Age – “Determining The Future” Can be used to revitalize a product through modifications and additions which help stimulate the life cycle.

Media Research

It is the study of the effects of the different mass media on social, psychological and physical aspects. Research survey that segments the people based on what television programs they watch, radio they listen and magazines they read.

For example: Time a person spends with a particular medium.

It includes achievements and effects of media and a study about the development of media. Newspapers, magazines, radio, TV, Cinema or other mass media analysis and collection of information’s. It helps to understand the ways in which media can meet the needs of the audience. Whether it can provide information and entertainment to more and different types of people. New technological improvements that helps to improve or enhance the medium. Thus in order to deal with social and political issues insightfully, management and regulation of media is needed. Unbiased evaluation of data can be achieved through media research.

Media Research is Important

- To study the viewership or to know the TRP. It helps the advertising agencies or advertisers to know the TRP and rating of programs which later boosts the sponsorship cycle

- Formative and summative assessment of various programs, movies, documentaries or traditional media helps the researchers and producers and promotes a better understanding of the need of the market and the audiences. It creates a bridge between the need and supply of content which is being provided.
- It is also helpful in quantifying the Impact of media on the audience or viewers
- It compares the former media content with the running content to show the statistical differences between the contents.

Types of Media research

Media theories provide the framework for approaching questions about media effects ranging from as simple as how 10-year-old boys react to cereal advertisements to as broad as how Internet use affects literacy. Once researchers visualize a project and determine a theoretical framework, they must choose actual research methods. Contemporary research methods are greatly varied and can range from analyzing old newspapers to performing controlled experiments.

Content Analysis

Content analysis is a research technique that involves analyzing the content of various forms of media. Through content analysis, researchers hope to understand both the people who created the content and the people who consumed it. A typical content analysis project does not require elaborate experiments. Instead, it simply requires access to the appropriate media to analyze, making this type of research an easier and inexpensive alternative to other forms of research involving complex surveys or human subjects.

Content analysis studies require researchers to define what types of media to study. For example, researchers studying violence in the media would need to decide which types of media to analyze, such as television, and the types of formats to examine, such as children's cartoons. The researchers would then need to define the terms used in the study; media violence can be classified according to the characters involved in the violence (strangers, family members, or racial groups), the type of violence (self-inflicted, slapstick, or against others), or the context of

the violence (revenge, random, or duty-related). These are just a few of the ways that media violence could be studied with content-analysis techniques (Berger, 1998).

Archival Research

Any study that analyzes older media must employ archival research, which is a type of research that focuses on reviewing historical documents such as old newspapers and past publications. Old local newspapers are often available on microfilm at local libraries or at the newspaper offices. University libraries generally provide access to archives of national publications such as *The New York Times* or *Time*; publications can also increasingly be found in online databases or on websites.

Older radio programs are available for free or by paid download through a number of online sources. Many television programs and films have also been made available for free download, or for rent or sale through online distributors. Performing an online search for a particular title will reveal the options available.

Resources such as the Internet Archive (www.archive.org) work to archive a number of media sources. One important role of the Internet Archive is website archiving. Internet archives are invaluable for a study of online media because they store websites that have been deleted or changed. These archives have made it possible for Internet content analyses that would have otherwise been impossible.

Surveys

Surveys are ubiquitous in modern life. Questionnaires record data on anything from political preferences to personal hygiene habits. Media surveys generally take one of the following two forms.

A descriptive survey aims to find the current state of things, such as public opinion or consumer preferences. In media, descriptive surveys establish television and radio ratings by finding the number of people who watch or listen to particular programs. An analytical survey, however, does more than simply document a current situation. Instead, it attempts to find out why a

particular situation exists. Researchers pose questions or hypotheses about media, and then conduct analytical surveys to answer these questions. Analytical surveys can determine the relationship between different forms of media consumption and the lifestyles and habits of media consumers.

Surveys can employ either open-ended or closed-ended questions. Open-ended questions require the participant to generate answers in their own words, while closed-ended questions force the participant to select an answer from a list. Although open-ended questions allow for a greater variety of answers, the results of closed-ended questions are easier to tabulate. Although surveys are useful in media studies, effective use requires keeping their limitations in mind.

Social Role Analysis

As part of child rearing, parents teach their children about social roles. When parents prepare children to attend school for example, they explain the basics of school rules and what is expected of a student to help the youngsters understand the role of students. Like the role of a character in a play, this role carries specific expectations that differentiate school from home. Adults often play a number of different roles as they navigate between their responsibilities as parents, employees, friends, and citizens. Any individual may play a number of roles depending on his or her specific life choices.

Social role analysis of the media involves examining various individuals in the media and analyzing the type of role that each plays. Role analysis research can consider the roles of men, women, children, members of a racial minority, or members of any other social group in specific types of media. For example, if the role children play in cartoons is consistently different from the role they play in sitcoms, then certain conclusions might be drawn about both of these formats. Analyzing roles used in media allows researchers to gain a better understanding of the messages that the mass media sends (Berger, 1998).

Depth Interviews

The depth interview is an anthropological research tool that is also useful in media studies. Depth interviews take surveys one step further by allowing researchers to directly ask a study participant specific questions to gain a fuller understanding of the participant's perceptions and experiences. Depth interviews have been used in research projects that follow newspaper reporters to find out their reasons for reporting certain stories and in projects that attempt to understand the motivations for reading romance novels. Depth interviews can provide a deeper understanding of the media consumption habits of particular groups of people (Priest, 2010).

Rhetorical Analysis

Rhetorical analysis involves examining the styles used in media and attempting to understand the kinds of messages those styles convey. Media styles include form, presentation, composition, use of metaphors, and reasoning structure. Rhetorical analysis reveals the messages not apparent in a strict reading of content. Studies involving rhetorical analysis have focused on media such as advertising to better understand the roles of style and rhetorical devices in media messages (Gunter, 2000).

Focus Groups

Like depth interviews, focus groups allow researchers to better understand public responses to media. Unlike a depth interview, however, a focus group allows the participants to establish a group dynamic that more closely resembles that of normal media consumption. In media studies, researchers can employ focus groups to judge the reactions of a group to specific media styles and to content. This can be a valuable means of understanding the reasons for consuming specific types of media.

Experiments

Media research studies also sometimes use controlled experiments that expose a test group to an experience involving media and measure the effects of that experience. Researchers then compare these measurements to those of a control group that had key elements of the experience

removed. For example, researchers may show one group of children a program with three incidents of cartoon violence and another control group of similar children the same program without the violent incidents. Researchers then ask the children from both groups the same sets of questions, and the results are compared.

Participant Observation

In participant observation, researchers try to become part of the group they are studying. Although this technique is typically associated with anthropological studies in which a researcher lives with members of a particular culture to gain a deeper understanding of their values and lives, it is also used in media research.

Media consumption often takes place in groups. Families or friends gather to watch favorite programs, children may watch Saturday morning cartoons with a group of their peers, and adults may host viewing parties for televised sporting events or awards shows. These groups reveal insights into the role of media in the lives of the public. A researcher might join a group that watches football together and stay with the group for an entire season. By becoming a part of the group, the researcher becomes part of the experiment and can reveal important influences of media on culture (Priest).

Researchers have studied online role-playing games, such as *World of Warcraft*, in this manner. These games reveal an interesting aspect of group dynamics: Although participants are not in physical proximity, they function as a group within the game. Researchers are able to study these games by playing them. In the book *Digital Culture, Play, and Identity: A World of Warcraft Reader*, a group of researchers discussed the results of their participant observation studies. The studies reveal the surprising depth of culture and unwritten rules that exist in the *World of Warcraft* universe and give important interpretations of why players pursue the game with such dedication (Corneliussen&Rettberg, 2008).

Media Data

media data refers in digital marketing to all forms of data collected on social media. Social data related to an individual are contained in and extracted from social profiles, post and different form of activities. Social media data are often very rich for an individual.

Social data are mostly:

- ▶ sociodemographic characteristics
- ▶ interests
- ▶ activities
- ▶ Facebook likes
- ▶ location data

Facebook is evidently the main source of social data but other social platforms - Linkdin, Twitter, etc - have or provide rich data.

Social data is directly used for advertising on social media platforms, but third parties can also collect and store permission-based social profile data of users who authenticate on their own site via social sign-in.

Media data collection has its benefits:

New data source: Social media is publicly sourced information that offers a completely new reference of data researchers and marketers never had in the past. With every post, conversation and site or app visit, a user leaves behind pieces of information about themselves. This data goes beyond simple demographic information to robust details like preferences, intent, sentiment, activities and social networks.

Current data: In the past, customer/personal data was, well, in the past. This data was historical because it required a person to input the information into a system of record where it could be referenced at any time. Social media data offers not only this historical view but also an up-to-the-second, streaming view. When this data is combined, organizations have a complete picture of their audience and can even use some of the data to predict future behavior.

Representative data: Social media data is likely the best representation of a user because it is a streaming record of their beliefs, attitudes and actions. No other source of data offers the same

kind of granular detail into a person's life. Organizations can use this data to get to know a person on an individual level.

RETAIL DATA

Study of a selected sample of retail outlets, provided as subscription-based service by market research firms. Retail-audit service providers gather information on a brand's sales volume, sales trends, stock levels, effectiveness of in-store display and promotion efforts, and other associated aspects.

Retail audits are studies of selected retail outlets performed by brand representatives or retail store employees for the purpose of collecting data about the health of the brand's products. For the sake of this article, we'll be discussing retail audits as they pertain to suppliers. Types of information that brand reps gather include:

- Sales volume
- Stock levels (shelf and backstock)
- Descriptions of in-store displays and promotional materials
- Competitor activity
- Planogram compliance (shelf location, number of facings present, number of SKUs present, missing/inaccurate shelf tags)
- Pricing
- In-store location of products
- Product damage

Importance of an Audit

The benefits of conducting retail audits are twofold. On the one hand, they serve as a tool for suppliers to ensure that retailers are complying with pre-established agreements on product placement, pricing, and promotion. On the other hand, they allow brands to accurately measure their success in the retail environment.

Equally advantageous is the priceless commodity of data that audits provide. By aggregating data from various retail locations over time and comparing results, managers can make actionable decisions that reduce inefficiencies and ultimately drive sales.

Types of Retail Audits

With so much variance in the information that can be recorded in a retail audit, it makes sense to segment audits by data type. Different audit forms should be used to reflect the respective data being collected at a given store visit. Examples of the types of retail audits that a supplier might employ are listed below.

Retail Market Questionnaire

In some cases, brands might simply want to know the lay of the land where their products are being stocked (or could potentially be stocked in the future). Reps might document the following:

- Consumer sentiment towards the brand and its competitors as discovered by surveying passerby and observing how they interact with the brand.
- Store appearance and location. Is the store well-organized and clean? Is it located in a suburban or urban area? How does the facade of the store appear?
- Qualitative and quantitative information about other brands present in the store. How many facings do competing brands have on the shelf? Are there mostly emerging or established brands in your category?

Merchandising Report

This type of store audit is primarily concerned with the brand's performance. Reps use merchandising reports to log:

- Inventory levels
- Stockouts

- Condition of products
- Amount of available shelf space
- Units ordered
- Retail price
- General shelf appearance

This information can be compiled into a finished product that resembles the merchandising report below.

Merchandising Report

Client: CVS
Address: 714 Atlantic Ave Boston
Representative: Marie Mckenzie
Description: Merchandising Report

Grape-Splosion

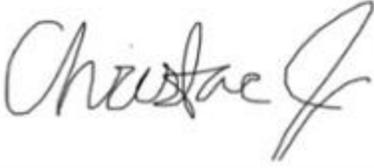
Is the Grape-Splosion available? no
Is Grape-Splosion out of stock? yes
Units of Grape-Splosion ordered 8
Is Grape-Splosion discounted? (duration and type) 1.99 discount
Quality of Grape-Splosion Merchandising (Scale of 1-5) 5 (Excellent)
Managers Name Christine
Did you ask for additional placement? yes
If yes, explain location and amount She told me about how we can start doing pop displays in June

Photo of Grape-Splosion



What additional activities did you perform? Straighten stock, presented new samples of orange soda.

Signature



Promotional Report

If a brand is holding a sale or other type of special promotion, it's important to track its success so as to know how it's performing in the short-term and how to improve in the future. It's key to report on:

- The type of promotion being used (tasting, demo, price reduction, etc.)

- The duration of the promotion
- The featured product SKUs
- In-store position
- Sales results
- General effectiveness of the promotion. Are consumers engaging with your brand? Are retailers complying with the placement of promotional materials?

Reps can use this data to create a promotional report similar to the one below.

Promotion Report

Client: CVS
Address: 714 Atlantic Ave Boston
Representative: Marie Mckenzie
Description: Promotion Report

Promotion Type: Tasting
What was the occasion?: Memorial day
How long did the promotion last for?: 3 hours
What products were being sampled?: Grape Splosion, Berry Blast, Strawberry Punch
Beginning number of units?: 10
Ending number of units?: 2

Photo of the promotion: 

Number of Reps: 1
Additional comments: Manager was very enthusiastic about the demo. He asked if we can do it again next month!

Signature: 

Competitor Survey

One audit that brands shouldn't overlook is the competitor survey, which can reveal invaluable insight into how your brand stacks up against others in its category. It's a good idea to identify:

- Who your direct and indirect competitors are in the store
- Competitors' pricing strategies
- How many facings competitors have on the shelf. Is your brand being significantly overshadowed?
- Where competitors' products are located in the store. Do they have prime placement at eye-level or near a checkout counter? Are they located in a high- or low-traffic area?
- Any promotions competitors are running

Steps in The Audit Process

After realizing the inherent value of retail audits, how can your company guarantee that it's executing them properly? Consider the following procedure to help your team make the most of every store visit.

1. Articulate your goals.

Determine the main objectives of your retail audit. Are you primarily concerned with monitoring competitor activity? Or do you care about how quickly your products are moving off the shelf? Put in writing exactly what you are trying to measure through the audit and assign numeric or qualitative values to each goal as a parameter for success.

2. Design audit criteria.

Select the exact questions you will be asking in the audit and the acceptable answer types. Will you use "yes/no" questions, have reps write-in responses, or use a scale such as 1-5? Avoid frivolous questions; only ask for information that can help your business improve (i.e. brand

performance, competitor activity, retailer compliance, etc.) See below for an example of the level of detail to include in your survey questions.

The screenshot shows a 'Forms' interface with a sidebar on the left containing question type options: Short text, Long text, Numeric, Yes/No, Selection, Photo, Date, and Section header. The main area is titled 'Questions & input fields' and displays a list of questions:

- Question 1: 'How many facing do we have?' with a numeric input field and a 'MANDATORY' checkbox (unchecked).
- Question 2: 'What is the shelf Space?' with a selection input field and a 'MANDATORY' checkbox (checked). Below it are three options: 'Top', 'Middle', and 'Bottom', each with a selection input field.
- Question 3: 'Coupons Available' with a selection input field and a 'MANDATORY' checkbox (checked).

An 'ADD ANSWER' button is visible below the second question.

3. Schedule appointments.

Once you know what you're trying to gain from the retail audit, it's time to make it happen. Aim for consistency in terms of who you send to which accounts. This way, individual reps can become extremely knowledgeable about their stores and build a rapport with store management. Recognize that some retailers might want to be notified before reps will be visiting their store. Also be mindful to schedule reps for an appropriate number of audits as determined by their assigned territory.

4. Gather data and photos.

Make sure reps collect data that directly corresponds to the goals and criteria you've laid out. It might make sense to have some retail survey questions be marked as "mandatory" if they're

extremely significant to company objectives. Including photos in audits is a great way to depict exactly what's happening in a store at any given time, and promotes accountability and compliance. Review the mediums reps are using to collect data and consider how to optimize them, ideally using software (more on this below).

5. Evaluate results.

Once audits are completed, organize your data in an easily digestible format. Numerical values can be depicted graphically, whereas notes could be tagged by a select quality. Check to see how the results you've achieved stack up against your pre-determined KPIs.

6. Implement changes.

After analyzing the findings, execute on what needs to be done in the short term. For example, perhaps you discover that a particular SKU is performing significantly worse than others across several locations and you decide to pull it from shelves immediately. Alternatively, long-term business decisions can be made after you've amassed data over a lengthier time period.

7. Repeat the process.

After conducting several retail audits, you'll be able to make adjustments to your retail audit process as needed to tailor it to your company's unique needs. Regularly conducting audits will allow your business to be as agile and rapidly adjust to the ever changing retail landscape.

Advantages of Retail Audit

Historically, business have used pen and paper for retail auditing, which presents a number of avoidable challenges, such as:

- Need to transcribe findings into a digital format after the fact
- Risk of losing or damaging paper
- Higher risk of human errors
- Delayed transmission of data from the field to decision-makers

These flaws in retail audit methodology make it hard for brands to replenish orders, alter their merchandising strategy, or handle retailer compliance issues on the fly. To combat these issues, companies can make use of technology. Choosing the right software for your company will be dependent on its specific demands, but any solution should be equipped with the following functionalities:

- *Ability to easily collect data through digital forms.*
 - You'll want to be able to customize your survey questions to accommodate specific product families or retailers. Moreover, you'll want customization of the allowed answer types. Ideally, some questions could be marked as "mandatory" so that brand reps cannot submit the audit without filling in a response for those questions.

- *Synchronization of data to brand managers in real-time.*
 - The primary reason for using a technological solution as opposed to paper is so that managers can receive data from the audits immediately. The faster data is available for analysis, the faster changes can be implemented. To automate your process further, opt for a solution that readily transforms data into graphs and charts for easy visualization.

- *Image capture capabilities.*
 - Photos illustrate what words alone cannot express. They're especially useful for revealing details about competitor packaging, shelf appearance, store tidiness, and promotional displays. Pictures are also great for depicting "before" and "after" scenarios. Below is an example of a photo of a shelf before it was merchandised used inside a retail audit.

Some additional features that provide business with leg-up in their audit procedure are:

- *Barcode scanning.*
 - To save time during auditing, brand reps can scan the UPC of a particular product using a smartphone camera, which in doing so will populate their screen with

more detailed information about the product. Reps can then answer product-specific questions or leave notes about that SKU.

- *Time stamping and/or geo-tagging.*
 - For organizational purposes, it's helpful to know the precise location and time that an audit took place. You might discover patterns that develop over a specific time period or at certain retailers (i.e. sales boost during summer months, or slow product movement at retailers in one county).
- *Electronic signature capture.*
 - Getting a signature from a store manager lets your company know that the audit has been done. Conversely, retailers cannot argue with the findings of an audit if they sign off on it.

Takeaways

A retail audit can help you evaluate the effectiveness of your overall retail execution strategy. However, the insights gained from retail audits are only as strong as the quality of the audits themselves. Moving forward, contemplate how your business can augment its retail audit process by streamlining scheduling, data collection, and analysis. Invest the time necessary in evaluating your findings to make the auditing process worthwhile and enable your company to make agile, informed decisions

Audits

Audits involve the physical inspection of inventories, sales receipts, shelf facings, prices, and other aspects of the marketing mix to determine sales, market share, relative price, distribution, or other relevant information.

Store Audits

The simple accounting arithmetic of opening inventory + net purchases (receipts - transfers out - returned inventory + transfers in) - closing inventory sales is the basis for the audit of retail store sales.

- The most -, widely-used store audit service is the Nielsen Retail Index. It is based on audits every 30 or 60 days of a large national sample of food, drug, and mass merchandise stores.
- The index provides sales data on all the major packaged goods product lines carried by these stores-foods, pharmaceuticals, drug sundries, tobacco, beverages, and the like (but not soft goods or durables).
- Nielsen contracts with the stores to allow their auditors to conduct the audits and pays for that right by providing them with their own data plus cash.
- The clients receive reports on the sales of their own brand and of competitors' brands, the resulting market shares, prices, shelf facings, in-store promotional activity, stock outs, retailer inventory and stock turn, and local advertising.
- These data are provided for the entire United States and by region, by size classes of stores, and by chains versus independents.
- The data are available to subscribers on-line via computer as well as in printed reports

Product Audits

- Product audits, such as Audits and Surveys' National Total Market Index, are similar to store audits but focus on products rather than store samples.
- Whereas product audits provide information similar to that provided by store audits, product audits attempt to cover all the types of retail outlets that handle a product category.
- Thus, a product audit for automotive wax would include grocery stores, mass merchandisers, and drugstores (in this way it is similar to the Nielsen store audits).
- In addition, it would include automotive supply houses, filling stations, hardware stores, and other potential outlets for automotive wax.

Retail Distribution Audits

Similar to store audits are retail distribution audits or surveys.

- These surveys do not measure inventory or sales; instead, they are observational studies at the retail level.
- Field agents enter stores unannounced and without permission.
- They observe and record the brands present, price, shelf facings, and other relevant data for selected product categories.

PROCESS OF RETAIL AUDIT

Step 1: Schedule the audit

Using the audit tool built-in calendar or your enterprise calendar, schedule the audit. Some audits are announced to the store's management. This is typically the case with merchandising audits, particularly those preceding an in-store merchandising campaign or seasonal program. Here, the point of the audit is to get the store to prepare for the program and execute the facets of the seasonal program as communicated by head office. Other audits may be "unannounced" in which case the district manager shows up unannounced to conduct an on-the-spot audit. This is often the case with service and health & safety compliance where the purpose of the audit is to gauge the store's compliance with standards on a typical day with no additional preparation or training immediately prior to the audit.

Tip for Compliantia users: Simply check "Announced" or "Unannounced" when scheduling the audit in the built-in Calendar. If the audit is announced, an email is sent to the store's management and the audit appears in the store's own calendar. If the visit is unannounced, the audit shows up in the district manager's calendar but not in the store's calendar and no emails are sent.

Step 2: Prepare for the audit

Look up the current ownership and management. Look, compare and analyze past audits, put the information in perspective. Look for trends, repeat unacceptables and location to district averages. If you have any notes, compile them ahead of time.

Tip for Compliantia users: From your dashboard, look up the store to view the store details including current ownership and management. When on the store page, click on “Visits to store” to view all visits to this store. Also use the “Trends” report to view a color-coded history of issues at that store. Lastly, use the “Location vs average” report to compare this store’s performance to its district or the national average. If need be, add notes to the scheduled audit; they will be carried over to the audit when it starts.

Step 3: Conduct the audit

Most audits are conducted from the outside in. Whenever possible, sections should be laid out to match the natural flow of a visit (a district manager physically walking the store). Start with the exterior (the parking lot if applicable, the window in a mall location) and work your way in, around the aisles and into the back of the store. While you can jump around between sections during or after the visit, setting up the form according to the natural flow of a visit saves time and is more intuitive. For more information, please refer to [How to build a retail audit checklist](#)

Tip for Compliantia users: Build the form online using the built-in “Form builder” or build it in Excel and import it (also using the Form builder).

Step 4: Use the device that works best, switch if necessary.

Some users like to conduct the entire audit on their smartphone. Others prefer the tablet. Still others like to make a first pass on a smartphone or tablet then power up their laptop and augment the audit with additional notes.

Tip for Compliantia users: Compliantia is device-agnostic when working in “online” mode. Start the audit with the device of your choice and switch if need be.

Step 5: Take photos and add them to the audit to illustrate key points

A picture is worth the proverbial thousand words. Taking pictures and adding them to the audit is both quick and easy. It helps the auditor illustrate exceptional performance as well as issues and concerns.

Tip for Compliantia users: adding a photo to an item is simply a matter of selecting the item, clicking the camera icon and taking a picture with your mobile or tablet.

Step 6: Don't just report problems, assign them and get them fixed with the action plan

The action plan is an opportunity to apply corrective actions to problem areas. It designates an individual responsible for rectifying each problem (anything deemed substandard or non-compliant by the district manager during the audit) and a target date for resolution. By doing this, the action plan fosters ownership and accountability at store level. Read more about the action plan.

Tip for Compliantia users: Issues can be assigned to individuals one by one or in bulk. You control the granularity and whether no/some/all issues are assigned and to whom and their target date for resolution. And of course, Compliantia allows you to track it all using point-and-click reporting.

Step 7: Get the store buy-in, acknowledge the audit

Once the audit is completed, you may ask the store to “acknowledge” it. This is akin to an electronic signature and allows the store to sign-off on the audit (to ensure it did take place at the store, date and time specified). It also gives the store a chance to leave comments about the audit.

Tip for Compliantia users: Using the form builder, specify who is authorized to acknowledge the audit.

Step 8: Share the results with the store and head office

The completed audit will typically be shared with store management and head office. Emailing a link to the report, viewing the report online and/or exporting it to Excel or PDF should all be readily available.

Tip for Compliantia users: Using the form builder, set or restrict the visibility of the form by role and department if needed.

Step 9: Follow up on the action plan

Following up on an audit can be time consuming and involve back and forth email and phone communication. Thankfully, dedicated retail audit software makes this considerably easier, faster and more effective by automating the communication and tracking of outstanding action plan responsibilities.

Tip for Compliantia users: Use the “Action plan responsibilities” report to find out exactly what action plan items have been fixed, by whom and when and which remain outstanding.

Step 10: Plan your next audit

Retail never sits still, neither should audits. Repeat the cycle by scheduling your next audits and watch your store’s compliance and sales numbers take off!

Consumer Panels

Consumer panels are groups of consumers in specific sectors, recruited by research companies and agencies, who are used as respondents to answer specific research questions relating to product testing, taste testing, ad testing or other areas. Most often, they are a specialist panel who take part in numerous projects. Consumer panels are particularly useful for short, quick surveys, where the emphasis is on a sample of those with specialist knowledge rather than a representative sample of the general population.

A **consumer panel** is a representative group of people used for marketing research. For example, the consumer panel for a dog food company is a group of dog owners who care what they feed

their dogs. Consumer panels can be as specific as the marketing research needs. It doesn't have to be everybody in the group, it can be a smaller number that represents the group as a whole. The Nielsen consumer panel represents the world's television watching population as a whole, but it only includes 250,000 households living in 25 countries. It doesn't include everyone that has a television, but it does have a good number in the group. The data is then extrapolated to the larger world's population as a whole. This is how some channels can say that they have so many millions of viewers.



The Nielson consumer panel consists of 250,000 households to represent all people who watch television

Purpose of a Consumer Panel

The purpose of a consumer panel is to measure what consumers do and like. Consumer panels are involved in things such as testing products, tasting foods and wines, and testing ads. Companies will put together a consumer panel to figure out what new product to release or whether a new recipe works or not. Some companies use consumer panels to test whether a particular advertisement works or not before releasing it as a commercial or other expensive advertising method.

The accessibility is the benefit in market research panels a prearranged target group of people willing to help you.

2.Target focus-In most cases, panels are created around interest or purchasing around specific products or services. So, who better to survey than the people who already have your company in their consideration set?

3.The large enough and Need of market research panels give the client opportunity to track change in behavior overtime, so it contains longitudinal advantage.

Concerns of market research panels

1. Cost- Access to these specialized respondents is not going to come at a general random sample price. However, in most cases, panels already have an incentive-based give away included in the price, which should trim the overall cost.

2.Data Quality- In some cases the panels respondents are just that, panel respondents. They don't only sign-up to help you out, but they sign up for every panel they come across to make a little extra dough. Again, make sure you routinely scrub your database and remove suspect members.

There are various types of benefits involved in market research panels it provides efficiency and there is no need of re-screening participants on key qualification criteria. The online research panel gathers useful information efficiently, quickly, easily and cheaply.

Possible Questions

Part A (online Exam)

Part B - 2 mark questions

1. What is Consumer research?
2. What is Consumer panels?
3. Define Media research.
4. Define retail audit.
5. What is Data validation?
6. Write a note on Retail Audit reports
7. Explain any two types of Consumer panels.

Part C- 8 Mark

1. Discuss in detail about consumer research and the importance of Consumer research.
2. Consumer research cycle- Discuss with suitable example.
3. Briefly explain the steps in research for new productwith an example.
4. Briefly explain the steps in research for existing product with an example.
5. What is meant by media research? Discuss the various types of media research.
6. Explain the importance of media research.
7. Discuss the below in detail:
 - a. Media data
 - b. Retail audit
 - c. Data validation
8. Explain the importance of retail data.
9. Enumerate data validation and retail audit reports.
10. Define consumer panels and the importance consumer panels
11. Define consumer panels and explain the various types of consumer panels.

Class : II B.Com BPS

Course Name :Retail Environment and Market Research

Course code : 17BPU403A

Unit V

Batch :2017-2020

S.No	Question	Option A	Option B	Option C	Option D	Answer	
241	Which one of the following is NOT a form of direct marketing?	catalogue retailing	personal selling	telemarketing	direct mail	personal selling	
242	The major reason people give for not shopping on the Internet is _____.	Lack of "touch"	Security concerns	Too difficult	Unfamiliar merchants	Security concerns	
243	The difference between retail and cost is called:	profit	markdown	income	markup	markup	
244	Expenses that benefit the entire store are called:	controllable	indirect	direct	Margin results	indirect	
245	Consumers who browse and/or purchase in more than one channel are known as _____.	cosmopolitan	multi-taskers	Multi-channel shoppers	Market mavens	Multi-channel shoppers	
246	In which of the following retailers are salespeople ready to assist in every phase of the locate-compare-select process?	self-service	self-selection	limited service	full service	full service	
247	The fastest growing segment of retailing is _____.	nonstore retailing	warehouse stores	hypermarkets	Category killers	nonstore retailing	
248	The most important retail marketing decision a retailer has to make is to _____.	identify its target market	choose the right service response it wants to support	select the service mix	Develop a nice store atmosphere	identify its target market	
249	_____ includes all of the activities involved in selling goods or services to those who buy for resale or business use.	retailing	bartering	wholesaling	Purchasing	wholesaling	
250	A concept in retailing that helps explain the emergence of new retailers is called the _____ hypothesis.	retail life cycle	wheel-of-retailing	service-assortment	Product life cycle	wheel-of-retailing	
251	Merchandising and display are an important part of the marketing plan and should have a reasonable budget allocated, even for a retailer operating on a	corner	dime	limit	Shoestring.	Shoestring.	
252	A retailer's _____ is the key to	location	pricing	promotion	Store	location	

	its ability to attract customers.		system	system	personnel		
253	Which of the following is NOT an example of non-store retailing?	mail order.	department store	party plan	Catalogue shop.	Catalogue shop.	
254	The word Retail is derived from the----- word	latin	english	french	none of these	latin	
255	In retailing there is a direct interaction with-----	producer	wholesaler	customer	all of these	all of these	
256	Retailing creates-----	time utility	ownership utility	place utility	all of these	all of these	