

**COURSE OBJECTIVES:****To make the students**

1. To understand the concept of marketing research, consumer goods, retailing and media research and its application in BPS industry.
2. To analyse the classification of FMCG industry, Retail formats and media research options and apply the learning lifelong.
3. To Critically formulate the research design for media research and retail research and understand ways to evaluate the best alternative.
4. To communicate orally and written form the concept of marketing research, consumer goods, retailing and media research and its application in BPS industry.
5. To design a report to communicate the findings and suggestion to make business decision.

**COURSE OUTCOMES:****Learners should be able to**

1. Understand the concept of marketing research, consumer goods, retailing and media research and its application in BPS industry.
2. Analyse the classification of FMCG industry, Retail formats and media research options and apply the learning lifelong.
3. Critically formulate the research design for media research and retail research and understand ways to evaluate the best alternative.
4. Communicate orally and written form the concept of marketing research, consumer goods, retailing and media research and its application in BPS industry.
5. Design a report to communicate the findings and suggestion to make business decision.

**UNIT I Introduction about Market Research:**

What is market research, How does it differ from marketing research? , Different market research tools and research methodologies

**UNIT II Consumer Packaged Goods :**

Characteristics of FMCG Products, Consumer Goods Industry, Classification Introduction, Consumer Packaged Goods Food and beverage industry classification, Major Players

**UNIT III Retailing and Retail Research:**

**Basics of Retailing:** What is retailing, Significance of Retail and the future of Retailing Retail Formats - Strategy behind different formats of Retail Function of a Retailer - Retail Function Flow Global Retailers

**Retail Research :** Characteristics of Retail Data, Retail Research Reports, Product Coding, Product Reference, Product Features, Features coding, Items coding, Store reference, Price Range

**UNIT IV Consumer research:**

Consumer Research, Consumer Marketing Research, Consumer Marketing Research, Key Consumer Research Methodologies, Key Consumer Research Methodologies, Stages of New Product Development

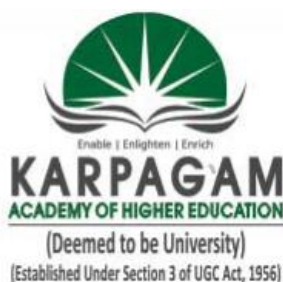
**UNIT V Panel Services and Media Research :**

**Panel Services:** What is Panel data, Uses of Consumer Panel, Panel Research Reports

**Media Research:** Media Research, Media Data, Characteristics of Media Data, Importance of media data validation, Media research report

**SUGGESTED READINGS:**

TCS BPS study material



**KARPAGAM ACADEMY OF HIGHER EDUCATION**  
**(Deemed to be University)**  
**(Established Under Section 3 of the UGC Act, 1956)**  
**Coimbatore – 641 021.**  
**DEPARTMENT OF COMMERCE**

**Staff Name** : Dr. Gowtham Raaj V  
**Subject Name** : Retail CPG and Market Research  
**Subject Code** : 18BPU402  
**Semester** : IV **Class** : II B.Com BPS

**LECTURE PLAN**  
**Unit 1**

S.No	Lecture Duration (Hr)	Topics to be Covered	Support Materials
1.	1	Introduction to market Research Concepts	TCS Material
2.	1	Difference between Market research and Marketing Research	TCS Material
3.	1	Primary Research	TCS Material
4.	1	Secondary Research	TCS Material
5.	1	Difference between Primary Research and Secondary Research	TCS Material
6.	1	Custom Study	TCS Material
7.	1	Syndicated study	TCS Material
8.	1	Difference between Custom Study and Syndicated study	TCS Material
9.	1	Quantitative research methodology	TCS Material
10.	1	Qualitative research methodology	TCS Material
11.	1	Difference between Quantitative and Qualitative	TCS Material
12.	1	Recapitulation and Important Question Discussions	
<b>Total No. of Hours planned for Unit- I</b>			<b>12</b>

## Unit II

<b>S.No</b>	<b>Lecture Duration (Hr)</b>	<b>Topics to be Covered</b>	<b>Support Materials</b>
1	1	Characteristics of FMCG Product	TCS Material
2	1	Consumer Goods Industry	TCS Material
3	1	Classification of goods	TCS Material
4	1	Consumer goods	TCS Material
5	1	Industrial goods	TCS Material
6	1	Concept of Consumer Packaged Goods (CPG)	TCS Material
7	1	CPG Industry	TCS Material
8	1	Major Players	TCS Material
9	1	Consumer behaviour and CPG	TCS Material
10	1	Influencers of CPG	TCS Material
11	1	Recapitulation and Important Question Discussions	
<b>Total No. of Hours planned for Unit- II</b>			<b>11</b>

## Unit III

<b>S.No</b>	<b>Lecture Duration (Hr)</b>	<b>Topics to be Covered</b>	<b>Support Materials</b>
1	1	What is Retailing?	TCS Material
2	1	Significance of Retail	TCS Material
3	1	Future of Retailing	TCS Material
4	1	Retail Formats	TCS Material
5	1	Strategy behind different formats of retail function	TCS Material
6	1	Retail Function Flow	TCS Material
7	1	Global Retailers	TCS Material
8	1	Characteristics of retail data	TCS Material
9	1	Retail research Report	TCS Material
10	1	Product Coding, Product Reference	TCS Material
11	1	Product Features, Features Coding	TCS Material
12	1	Items Coding , Store reference , Price Range	TCS Material
13	1	Recapitulation and Important Question Discussions	
<b>Total No. of Hours planned for Unit- III</b>			<b>13</b>

### Unit IV

<b>S.No</b>	<b>Lecture Duration (Hr)</b>	<b>Topics to be Covered</b>	<b>Support Materials</b>
1	1	Consumer research	TCS Material
2	1	Importance of Consumer research	TCS Material
3	1	Consumer Marketing Research	TCS Material
4	1	Consumer research cycle	TCS Material
5	1	Consumer research Methodologies	TCS Material
6	1	Research for new product	TCS Material
7	1	Research for existing product	TCS Material
8	1	Recapitulation and Important Question Discussions	TCS Material
<b>Total No. of Hours planned for Unit- IV</b>			<b>8</b>

### Unit V

<b>S.No</b>	<b>Lecture Duration (Hr)</b>	<b>Topics to be Covered</b>	<b>Support Materials</b>
1.	1	Introduction to Research Data	TCS Material
2.	1	What is Panel Data	TCS Material
3.	1	Consumer panels	TCS Material
4.	1	Use of Consumer panels	TCS Material
5.	1	Type of consumer panel	TCS Material
6.	1	Panel research Reports	TCS Material
7.	1	Media research	TCS Material
8.	1	Types of Media research	TCS Material
9.	1	Media data	TCS Material
10.	1	Characteristics of Media data	TCS Material
11.	1	Importance of Data validation	TCS Material
12.	1	Media research reports	TCS Material
13.	1	Recapitulation and Important Question Discussions	TCS Material
14.	1	Previous ESE question paper revision	TCS Material
15.	1	Previous ESE question paper revision	
16.	1	Previous ESE question paper revision	
<b>Total No. of Hours planned for Unit- V</b>			<b>16</b>

### Text Books

**T1:TCS BPS Study Material.**

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## **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.

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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

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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.



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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 mark

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.

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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.

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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

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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.

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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.

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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

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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

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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		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.

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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.

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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.

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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.

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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

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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

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

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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 stretch 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?

**KARPAGAM ACADEMY OF HIGHER EDUCATION**

**Class : II B.Com BPS**  
**Course code : 18BPU402**

**Course Name : Retail CPG and Market Research**  
**Unit I**

**Batch :2018-2021**

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KAHE

## **SYLLABUS**

**Unit II: 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 Chapmen 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 purchases 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 deprive 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.

## What Is Retail?

### *What is retail and what can retail software do for your business?*

Retail, retailing, and retailers. You've probably heard these terms before, but what do they mean?

**Retail**, by definition, is the sale of goods or service from a business to a consumer for their own use. A retail transaction handles small quantities of goods whereas wholesale deals with the purchasing of goods on a large scale. Retail transactions are not to be confused with online transactions; goods must be sold from a single point directly to a consumer for their end users.

A **retailer** is a person or business that you purchase goods from. Retailers typically don't manufacture their own items. They purchase goods from a manufacturer or a wholesaler and sell these goods to consumers in small quantities.

**Retailing** is the distribution process of a retailer obtaining goods or services and selling them to customers for use. This process is explained through the supply chain.

## Significance of Retailing

The retailer acts as a link between the customer and the marketer, who is responsible for selling the ultimate products and services to the customers. In the entire complicated process of marketing, retailer acts an intermediary in the complex marketing & distribution channel. Though manufacturers can directly sell their products and services to the end customers ultimately, it may result in high expenses, inconvenience and time-consuming process.

## Social Significance

In the present business scenario, social responsibility and increasing importance are being given to driving the functions of marketing functions with a sense of social responsibility. This has resulted in retail organizations paying a great deal of attention towards the social responsibilities which they have towards their customers.

**Regulation and control from various pressure groups such as social activists, social workers, and consumer activists compel the retailers in implementing their marketing programmes restrictively and communicating the true picture about the benefits or harms of using a product.**

The retail fraternity should give importance to the cultural differences and also the differences in the values, beliefs, and faith of people while formulating their marketing strategies and business



development plans. This will be helpful in meeting the demands of the consumers by understanding their expectations. The marketing department of retail companies is engaged in identifying the opportunities and threats to the business of the company by analyzing the socio-cultural trends and the buying preferences of the consumers.

### Economic Significance

The retailers play the role of sales specialists and also as agents of purchase for their customers and suppliers respectively. Retailers handle the entire gamut of roles and functions aiming at understanding customer requirements and anticipating the demand, gathering information about the market trends through strong market intelligence and making product related assortments and discovering financing opportunities.

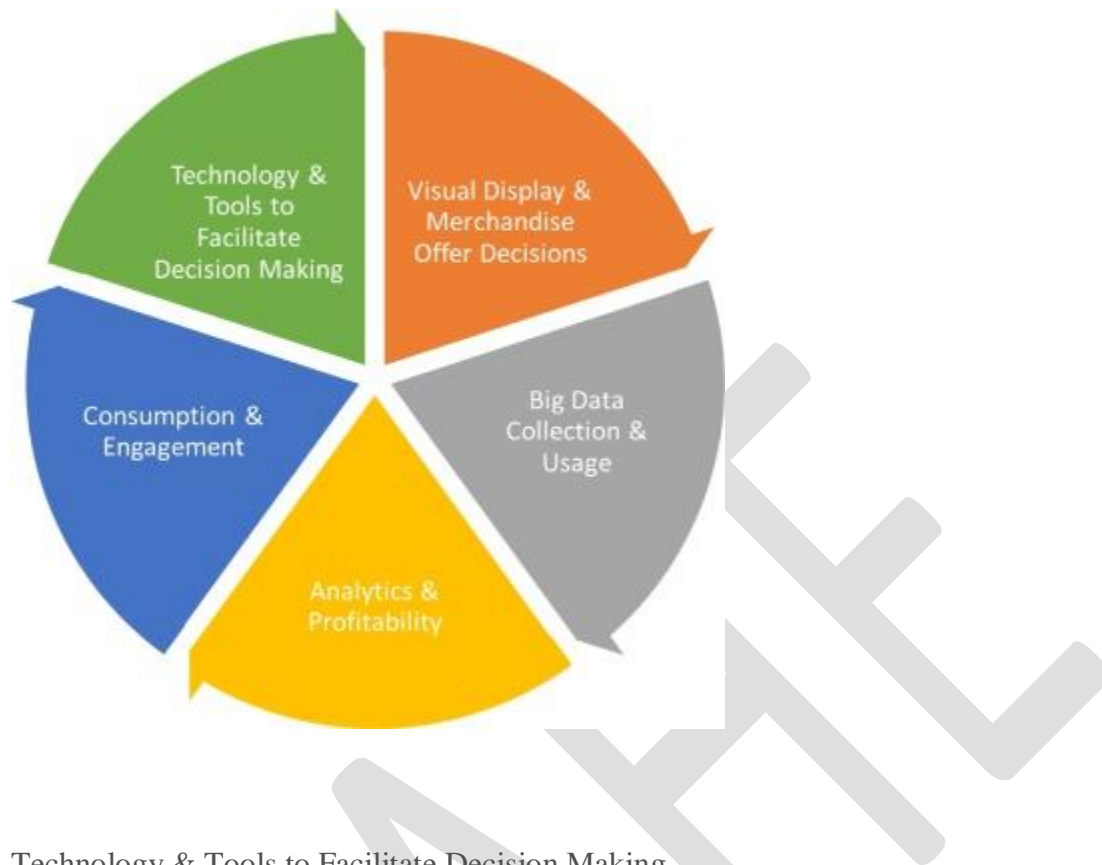
It is relatively easier to become a retailer, as large investment is not required, procurement of production equipment is not required, and a retailer can procure merchandise on the basis of credit.

The retail sector in the present scenario is witnessing a fierce competition as a large number of retail players have entered in the same market segment with similar product offerings. The only differentiating factor which may provide a winning edge in the competitive race is by providing better value to the consumers and satisfying the consumers with their offerings. Besides this, a retailer should also be providing justice to the producers and also to the wholesalers by ensuring that their products are sold to the ultimate consumers.

For expansion of business opportunities globally and tapping larger business prospects, large retailers have been diversifying their business formats by way of mergers or acquisitions to cater to the growing needs of a diverse and a larger customer segment. Moreover, the retail industry has been impressive regarding generating large-scale employment opportunities worldwide which is expected to grow at a much faster rate in comparison with the other sectors performance in future as well.

**The retail sector has opened newer job avenues for people having different areas of specialization with diverse skills and qualification backgrounds.** These opportunities could be in the areas of Finance & Accounting, Retail Operations, Commercial Operations, Inventory & Warehousing, SCM & Logistics, HRM, Distribution Systems, Marketing & Brand Management, IT, New Products Development & Market Research/Business Analysis.

Future of Retailing



#### Technology & Tools to Facilitate Decision Making

Technological change continues to be a game changer for retailing that can simultaneously benefit consumers and retailers. For example, technology enables consumers to make more informed decisions, receive more targeted and beneficial offers, and obtain faster service. It also assists retailers in reaching appropriate consumers at lower costs, due to technologically created efficiencies. [Inman and Nikolova \(2017\)](#) draw attention to how technologies can benefit both consumers and businesses, which ultimately enhance the businesses' profitability. They highlight mobile apps, scan-and-go technologies, self-check-outs, QueVision, and smart shelf technology. For example, self-check-out technology helps shoppers scan, bag, and pay for products without any need to interact with a cashier. Customers thus gain control; retailers enjoy reduced labor costs from the fewer number of cashiers required. QueVision gives retailers insights into how many registers are needed and the expected wait times, using data garnered from infrared sensors over store doors and cash registers, predictive analytics, and real-time data feeds from point-of-sale systems. Using this technology, grocery retailers have been able to reduced wait times from more than 4 min to less than 30 s. Thus, QueVision improves the customer experience, through shorter wait times, and benefits the firm in the form of happier, less stressed employees.

The introduction of smartphones have revolutionized shopping. From mobile apps, to geo-fenced targeted offers, to constant access to the online environment, the advances in this realm have led to constantly changing consumer expectations and to retailers' enhanced ability to connect with consumers. Scan-and-go technologies allow customers to use their smartphones to scan items as they shop, then use the retailer's app to pay. Amazon is pushing this innovation even further, removing the need for consumers to scan items, through their Amazon Go technology. Amazon

Go allows customers to scan their smartphone as they enter the store, pick up the products they want, and leave. Computer vision, sensor fusion, and deep learning technologies automatically detect when products are taken from or returned to shelves and keep track of items in a virtual cart. After consumers leave the store, they are charged and sent an automatic receipt. All customers need is a smartphone, an Amazon account, and the Amazon Go app ([Amazon 2016](#)). These new technologies are revolutionizing the consumer shopping experience and will set new expectations of what shopping can or should be in the future.

Mobile technology also allows retailers to offer relevant offers that reflect locational information (e.g., time of day, weather, location), using location-based applications (e.g., Google maps) ([Grewal et al. 2016](#)). For example, feel-good products can be promoted effectively when the weather is bad ([Rosman 2013](#)). Similarly, mobile promotions can take advantage of indoor positioning information gathered using iBeacons in order to offer location relevant promotions. Personalizing technologies to make them user specific clearly has benefits for both consumers and retailers. However, a personalization–privacy paradox warrants consideration. Personalizing information for customers can both enhance and diminish consumer engagement with the firm, because consumers may recognize how much data and information retailers have about them and begin worry about their privacy. Retailers therefore need to be careful to use their knowledge about customers in a way that balances out this personalization–privacy paradox ([Aguirre et al. 2015](#)).

We question whether these new technologies will affect all types of retailing and all types of shoppers in the same way. Retailers use their apps to deliver a variety of promotions; perhaps these apps would be especially useful for retailers that adopt high–low pricing strategies or discount retailers. Alternatively, perhaps retailer apps are primarily good for reaching deal-prone customers. Another consideration pertains to the store, such that small stores could serve as delivery/pick-up points for online retailers, or they might focus more on meeting shoppers’ social needs ([Magi 2003](#)), in that social shoppers are overrepresented in smaller store formats.

#### Visual Display & Merchandise Offer Decisions

Today’s consumers are bombarded with merchandise and offers. The question is how to design and deliver offers that stand out. Understanding this can help retailers decide how, when, and where to display merchandise (and associated offers), according to the channel format (in store or online). Manufacturers also recognize the importance of ensuring that consumers pay attention to their merchandise and offers, such that they seek ways to make their merchandise stand out from the competition on the shelf or online.

[Kahn \(2017\)](#) highlights the need for manufacturers and retailers to account for a “visual salience bias” and make assortments easier for consumers to process. She recommends several key strategies for doing so, such as reducing the size of the assortment presented, reducing information intensity, making sure each item relates to the assortment context, and carefully thinking through the spatial positioning of merchandise.

Further evidence on the role of spatial orientation of merchandise presentation is provided by [Nordfält et al. \(2014\)](#). They examine the importance of the vertical, horizontal, and diagonal orientation of merchandise. Their results demonstrate the superiority of a vertical organization of merchandise (e.g., vertical arrays of multiple beverages in a cold case result in more purchases than the same beverages in a horizontal display). Vertical displays of towels, versus a diagonal display, resulted in a more than 90% increase in product pick-ups by customers.

In addition to their organization on the shelf, on the display, or on the website, product packages are an important aspect of the visual scenery. [Kahn \(2017\)](#) highlights the importance of various visual components, such as where an image appears on a product package and the shape of that package. Investigations of packaging typically take a shape or design perspective, but [Krishna, Cian, and Aydinoglu \(2017\)](#) propose extending this view to determine how the different layers of a package might affect consumer shopping engagement. The packaging and product thus consists of three hierarchical levels: the inner core, which is the product itself (e.g., pill, piece of chocolate); an intermediate level that consists of the container (e.g., bottle for pills, wrapper that holds chocolate); and an outer layer, which is what is immediately evident to consumers prior to their purchase (e.g., carton that contains the bottle that contains the pill; fancy box that holds all the chocolates). These authors cite the importance of understanding the roles of these three different layers, across both a physicality dimension and a functional dimension. That is, packaging levels exert a significant influence on consumers' sensory experiences. Certain packages facilitate consumers' ability to examine the product visually or physically, such as clear packaging that allows customers to engage visually with a product. Packages that do not cover the entire product also enable customers to feel the texture of the materials. Thus, package types can have significant influences on how consumers consciously and subconsciously engage with products.

Packaging also might affect consumers' perceptions and consumption decisions. A package can set consumer expectations about the amount of product; for example, a perfume may take up only ten percent of the outer package, and the intermediate glass bottle would account for 40% of the outer box. In this high-end category, the smaller volume drives scarcity expectations, associated with these luxury, high priced products. Visual and spatial components of the packaging, in conjunction with other sensory dimensions ([Spence et al. 2014](#)), thus establish customers' expectations and their consumption experience.

As part of their visual merchandising efforts, retailers must consider locational effects for their merchandise and their sales promotions, both online and in stores. Recent research demonstrates that the location of the sale price in displays and communications online can have considerable impacts. For example, [Biswas et al. \(2013\)](#) reveal that the sale price is more effective when it is to the right of a higher advertised reference price rather than placed to the left. [Suri et al. \(2017\)](#) similarly find that when the price is portrayed to the right of the package, it is more effective for increasing purchase intentions and purchases of lower involvement products (e.g., beverages) than when it is on the left.

#### Consumption & Engagement

Consumers' actual consumption of goods and services is at the heart of all retailing. Designing goods that offer value to consumers is critical to success of retailers and service providers.

Creating a superior customer experience can differentiate companies ([Grewal, Levy, and Kumar 2009](#); [Verhoef et al. 2009](#)). This holistic customer experience concept "involves the customer's cognitive, affective, emotional, social and physical responses to the retailer. This experience is created not only by those elements which the retailer can control (e.g., service interface, retail atmosphere, assortment, price), but also by elements that are outside of the retailer's control (e.g., influence of others, purpose of shopping)" ([Verhoef et al. 2009, p. 32](#)).

Firms already acknowledge the importance of understanding and managing customer experience and engagement levels ([Accenture, 2015](#), [Marketing Science Institute, 2016](#)), as do academics

(e.g., [Grewal, Levy, and Kumar 2009](#); [Lemon and Vehoeft, 2016](#), [Puccinelli et al., 2009](#), [Verhoef et al., 2009](#)). However, no in-depth research has probed ways to enhance customers' sense of engagement. [Grewal et al. \(2017\)](#) present a hierarchical model of customer engagement that suggests that incorporating consciousness may facilitate such enhancements.

To develop this model, [Grewal et al. \(2017\)](#) draw on research into conscious capitalism ([Mackey and Sisodia 2014](#)) as the grounding principles. These principles include incorporating a higher purpose and values to center the mission of the company; having strong leadership that imbues the corporate culture with a team-oriented approach to fulfilling the company's purpose and values; and striving for an integrative stakeholder orientation. Building on those foundations, [Grewal et al. \(2017\)](#) argue that for a hierarchical, three-level approach to enhancing customer engagement that reflects the customer experience, an emotional connection, and a shared identity. Conscious retailers thus create deeper emotional connections with customers by leveraging their purposes and values. At the highest levels of engagement, customers even come to identify with the retailer.

Another way for retailers to improve a customer experience that leads to greater engagement is by leveraging social media. [Roggeveen and Grewal \(2016\)](#) suggest that five effects drive consumers to engage with social media: connected, network, information, dynamic, and timeliness effects. The connected effect is based on the innate need that people have to connect with others; social media has changed the format of these relationships. The network effect refers to an ability to relate to and broadcast information to others.

Yet, another driver of social media engagement is convenience or timeliness. Consumers can constantly access information, due to the ubiquitous presence of smartphones and tablets and their dedicated apps. Apps then produce another driver of social media engagement for retailers, namely, the ability to provide relevant information and participate in dynamic conversations with customers. These information and dynamic effect factors also enhance consumers' desire to engage with their extended social network. Understanding how these various spokes turn the wheel of social media engagement is another way that retailers can enhance their engagement with consumers.

Of course, the consumer experience also depends on the retailer's category. For example, food retailers may engage with customers to promote healthier eating. [Wansink \(2017\)](#) provides a useful, important retail intervention framework that highlights three major components for enhancing customer engagement in the domain of food retailing: the role of signage, the structure of the store/merchandise placement, and the service provided by employees or electronic aids. All three components influence which merchandise is most convenient to purchase, attractive, and viewed as more normative. [Wansink \(2017\)](#) also suggests innovative tools and techniques for leveraging signage and service components to make healthier products more convenient, accessible, and normative to purchase. In a sense, increasing engagement with healthier products ultimately results in healthier consumers.

Similarly, retailers must consider how to best engage customers online or in stores using visual cues contained within digital displays ([Roggeveen, Nordfält, and Grewal 2016](#)) or dynamic messages ([Roggeveen et al. 2015](#)). Dynamic messages (e.g., videos), as opposed to static ones (e.g., pictures), help mentally transport customers into the experience, which creates a stronger emotional connection, which in turn reduces customers' price sensitivity and enhances their consumption of more hedonic options ([Roggeveen et al. 2015](#)).



Substantial existing research focuses on the customer experience already (e.g., [Grewal, Levy, and Kumar 2009](#); [Lemon and Vehoeft, 2016](#), [Puccinelli et al., 2009](#), [Verhoef et al., 2009](#)). Future research should focus on employee engagement. For retailers, employee engagement could result in greater consumer engagement. [Verhoef et al. \(2009\)](#) highlight the need to understand the role of dynamic experiences and how experiences and engagement levels evolve over time.

#### Big Data Collection & Usage

Retailers have always been inundated with data. In the recent years, they increasingly have started to take advantage of options for organizing these data better, improved access to computing power, and the availability of proprietary or enterprise analytical systems. The power of big data, coupled with effective analytical systems, permits retailers to manage a host of issues. [Bradlow et al. \(2017\)](#) organize the various sources of retail data, including those captured from enterprise systems; customer/household information captured from loyalty, website, or social data; and locational-based details gathered using mobile and apps. These authors discuss the dimensions of big data in terms of the customer, product, location, time, and channel, highlighting how retailers can use these data strategically to optimize prices and maximize sales. Thus, big data are helping retailers and researchers understand customer behavior. Their emergence has led researchers to undertake field studies and experiments that provide clearer assessments of the causality between an exogenous or independent variable (e.g., promoted price, display location, assortment expansions, service responses) and a host of dependent variables, from increased store sales and profitability to brand switching. Retailers can rely on survey-based measures, such as purchase intentions or positive evaluations, to generate greater engagement, loyalty, and profits.

#### Analytics & Profitability

[Kumar, Anand, and Song \(2017\)](#) highlight the importance of carefully developed, thought-through retail strategies supplemented with analytics. They also link these strategies to retail profitability. Such strategies can be explicated at four levels: market, firm, store, and customer. For example, at the store level, these authors highlight what we know about strategies associated with marketing mix location and atmospherics, and then specify topics that need further exploration. In addition, they lay out actions that need to be undertaken to execute these strategies. As an illustration, at the store level, key executional actions include personalized pricing, dynamic pricing, mobile targeting, and technology to improve customer experiences. In addition, retailers should carefully develop and manage their vendor relationships. [Ailawadi and Farris \(2017\)](#) highlight important issues that retailers wrestle with as they move toward and manage multi- and omnichannel distribution operations. There are clear benefits to an omnichannel distributional structure from a consumer's point of view, ranging from transparency to uniform policies. However, for retailers and suppliers, such forms of distribution pose unique challenges. To understand the challenges and the important questions they raise, [Ailawadi and Farris \(2017\)](#) specify some key insights from academic research as it pertains to the focal metrics being used in practice, in terms of the depth and breadth of distribution.

#### The Further Future of Retailing

Retail is evolving at an accelerated rate due to changes made possible by technologies and evolving consumer behaviors. Integrating channels and the power of big data are not distinctive factors anymore but rather are prerequisites of competitiveness. Where the field goes will depend

on even newer emerging forces: The Internet of things, virtual or augmented reality, artificial intelligence, and robots/drones/driverless vehicles ([Deloitte 2016](#)).

Research into the Internet of things should clarify how it may influence shopping behavior, as well as the role of frontline employees ([Rafaeli et al. 2017](#)). Smart homes are being designed with a host of smart appliances (e.g., refrigerators) that can reorder products as stocks get low. Similarly, smart cars convey relevant information to service departments and may schedule future service appointments. Thus, research needs to explore whether the Internet of things will increase consumers' engagement with retailers, service providers, and brands or if it will reduce consumer engagement, as machines take over all the "talking" to other machines (i.e., the start of machine-to-machine commerce).

Virtual and augmented reality has offered vast promise for a long time; those promises are just beginning to be realized. The new forms of technology-based reality and applications enhance sensory perceptions ([Poncin and Mimoun 2014](#)). For example, fashion retailers use new technology to help customers engage in virtual fashion shows ([Deloitte 2016](#)). Apps using augmented reality also are advancing the reality, such as apps for car dealers that allow consumers to view how different components look on a car, or games such as Pokémon GO that combine a hunt for virtual creatures (Pokémon) with the real-world locations of the players. A mobile device's GPS capability makes this possible.

Apps that rely on artificial intelligence (AI) also are on the rise in a variety of contexts, from Siri on the Apple phone, to Cortana on Microsoft, to Alexa on Amazon's Echo, to query-based response AI systems for retailers (e.g., Macy's On Call). These AI-based responses can have tremendous positive impact on customers as they shop, whether physically or online. They can gather information about where products are physically located within a store, answer questions about the functionalities of a product, and make suggestions about what other products might work well in combination with the purchased item. The answers also may be tailored, according to the consumer's knowledge (e.g., accessing historical customer data sets and using predictive analytics to recommend relevant information or products). The consequences could include more informed and engaged customers, but they also might mean that service employees' jobs would need to be retooled to enable them to provide information at an even higher level than available in an AI application.

Building on AI-based technology, many companies are testing driverless vehicles, and various manufacturers and retailers are taking advantage of advances in the technology for robotics and drones ([Van Doorn et al. 2017](#)). Major manufacturers and retailers already use robots extensively in their distribution centers. Amazon also has publicly discussed its plans for drone delivery, to augment its existing delivery options. Such applications suggest a host of research possibilities, such that studies should pursue a better understanding of the short- and long-term benefits and consequences of different delivery methods.

In conclusion, newer forces will influence how shoppers select channels, choose products and services, and make purchases. The worlds of online and offline are converging. Knowing what is different and what is similar in these two worlds, as well as how new technologies are going to impact both, is key for the future of retailing. Innovations are likely to help customers make good decisions, feel less time pressure, or even increase their confidence and satisfaction with their decisions. Retailers in turn need to embrace these new and emerging technologies to make their customers even more engaged, while also making their lives simpler. Finding ways to do so

remains an important area of inquiry, worthy of continued exploration.

**Executive Summary**

In the rapidly evolving retail landscape, consumers' needs still drive their purchase decisions. Shoppers make most consumption decisions, yet newer technologies (e.g., Internet of things, robots), newer business models (e.g., subscription models), and big data/predictive analytics suggest that the shopping process is on the verge of a quantum leap into an unknown shopping realm. The result is a powerful need to understand critical retailing areas in which innovations are changing the game, so that we can better understand where the retailing field will be evolving in the future.

In modern, multifaceted, omnichannel environments, consumers are bombarded with information about goods and services. Retailers that can connect with their customers by providing targeted information and offering value stand apart and have the potential to create deep customer engagement. Technology can help retailers target appropriate consumers; technology also enables consumers to make better informed decisions about which products or services to consume. Yet not all consumer decisions rely on extensive information searches and detailed decision processes. Some decisions are spontaneous, produced quickly while shopping online or in stores, often prompted by strategic visual presentations and merchandise assortments crafted by the retailer.

A purchase provides the retailer a multitude of disparate information, including transactional data (e.g., price paid, quantity purchased, shopping basket composition), consumer data (e.g., gender, age, family composition), and environmental data (e.g., temperature). Retailers that can draw effective insights from big data can make better predictions about consumer behavior, design more appealing offers, better target their customers, and develop tools that encourage consumers to make purchase decisions that favor their products. Thus, big data can initiate beneficial, cyclical processes of consumer consumption and engagement that in turn lead to enhanced profitability.



Different formats of Retailing

1) Department Stores



Department stores are large stores which sell different types of products under one roof in different departments. Each department has an individual specialization of merchandise. Each store is handled separately in accounting, management, and location.

Therefore, a department store handles different business units and deals with a variety of merchandise and are organized in different departments for the purpose of accounting control, sales promotion, and store operations.

The latest trend in department stores is to add departments for sports and recreational equipment and automotive along with providing services like travel advice, insurances, and income tax preparations, etc. Department stores can also be referred to as shopping centers.

**Different classifications of department stores**



Department stores can be classified on the basis of income groups or ownership.

1. **On the basis of ownership** – There are three types of a department store on the basis of ownership
2. **The ownership Group** – Ownership group stores are dependent formally but are combined.
3. **The independent** – This type of department stores is owned by the financial interest which does not own any other similar stores.

### Types of Department stores

1. **Chain Department Stores** – This type of stores is owned and managed centrally.
2. **On the basis of income groups** – These stores are designed to serve people with high- and middle-income groups. These stores sell high-quality goods and provide first class services to its customers. there are also stores which are designed to cater to people with low income such as dollar stores.
3. **Leased department stores** – The stores whose operations are given out on lease are called leased department stores.

### Various features of Department stores:

1. Merchandises are arranged in different departments in the same store.
2. Department stores are integrated stores which perform operations.

3. department stores are distinguished by the nature of goods sold by them, not by the variety of goods sold by them like drug and variety store.
4. Department stores are designed horizontally in order to provide different merchandises under the same roof.

### **Location of Department stores**



Special consideration should be taken into consideration before choosing the location of a department store. the store should not only provide merchandises only but it also should provide various amusement facilities, facilities in dine-in, and parking, etc.

### **Advantages of Department stores**

1. Department stores usually buy products in bulk which gets considerable discounts. in addition to this, department stores buy directly from the manufacturer therefore, it eliminates any middleman charges results in high profits.
2. Department stores were a big business are in a position to pay for goods being purchased. In this way, quality goods can be purchased on much cheaper rates and also merchandise of the latest style and design can be obtained to be sold in stores.
3. Department stores attract customers because of the convenience offered by them for people of all classes.
4. Because of its large scale of business expert supervision can be provided for each department. In addition to this, various services like liberal credits, expert assistance for shopping, and delivery services can be provided to customers.

5. Department stores can afford to spend on advertising to lure customers to buy more. For example, within department stores, various discount and offer advertisements are placed to make customers purchase more than they plan to buy.

### **Limitations of Department stores**

1. It is very expensive to run a department store as it includes various expenses. For example, a large number of salespersons are needed to handle different departments and cash counters.
2. Because of its large size, personal touch and interaction with customers are missed. Which is not a problem in single line stores.
3. As area required to establish these stores is large, they are usually set up on the outskirts of a city. Hence, these are not much beneficial for the customers as they have to buy urgently required goods from the nearby traders.
4. As the whole control is in the hands of employees such as store managers there are high chances of leak and loss.
5. Many times customers take advantage of “customers are always right” policy.
6. it has been observed that in many stores poor salesperson service is provided because of the low payments given to them.

### **2) Super Markets**



Supermarkets are self-service stores that sell a wide range of food as well as non-food products. supermarkets have at least four basic departments such as self-service grocery, dairy produce, meat, and household department.

These stores can be either entirely operated by owners or they are given on lease to others to operate.

### **Features of supermarkets**



1. Goods are displayed in bulk.
2. Supermarkets are located in nearby housing areas so that people have easy access.
3. These stores offer a wide range of products, low prices, nationally advertised brands, and also convenient parking.
4. It follows the “cash and carry” policy.
5. Minimum customers service is provided in these stores as these stores work on the basis of self- service.

### **Advantages of Supermarkets**



1. The supermarket sells a wide variety of merchandises.
2. The supermarket offers convenient shopping to customers as they can buy everything under one roof.
3. supermarkets offer low-profit margins, high discounts, and convenience of buying everything under one roof.
4. Customers don't have to spend a lot of time.

### **Disadvantages of supermarkets**

1. Fewer customers services.
2. Products which require instruction to use are difficult to purchase from supermarkets as there is no one to assist you.
3. High administrative expenses required to run a supermarket.

### 3) Chain Stores or Multiple Shops



In this format of retailing, a chain store consists of four or more stores sell the same kind of merchandises and are owned and managed by a single owner. The supplies are stocked in chain stores are provided by one or more warehouses owned by the chain store owner.

This retail format is known as “Chain Stores” in America and known as “Multiple Shops” in Europe. In chain stores, customers are approached to provide them assistance and not forced to make purchases. More than one store can be opened in one city to magnet more and more customers.

The appropriate examples of chain stores are Wal-Mart, [subway](#), Bed Bath and Beyond, and Body Shop, etc. Chain stores work on the basis of “Centralized buying with decentralized selling”.

#### **Features of Chain stores**

1. When one or more shops are run under one name are called chain stores.
2. There is centralized control over all the shops.
3. Chain stores are integrated stores.

#### **Advantages of Chain Stores:**

1. Chain stores offer low selling prices.
2. Low advertisement cost as the advertisement is done on a central basis.
3. Chain stores work on a cash basis. Therefore, there are fewer chances of bad debts and less accounting process required.
4. No need to look for costly and centralized locations.

#### **Disadvantages of Chain Stores:**

1. People believe that merchandises are sold at a low price which is clearly a false claim.
2. Chain stores lack flexibility. As it does not offer wide varieties of products.
3. There are high chances of a problem because there are several problems associated with the large scaled business.
4. Chain stores do not provide facilities like Door delivery and credit facility. Therefore, it has a poor bad image.



#### **4) Discount Houses**

Discount house is a type of retail format which operates at low cost and almost no customer's service. These stores are large in size, open for public and advertised heavily. They sell a wide range of products of well-known brands, housewares, appliances, sporting goods, house furnishing, toy and automotive services, and clothing, etc.

These stores operate on a self-service basis and no customer service is provided in them. Discount houses can be of different types such as small store, Full line limited service, catalogs type order offices. The stocks in discounts houses are bought from both wholesalers as well as manufacturers.

So far, you have learned about "In-store retail stores". In the next section, you will learn about various types of "Non-store retail stores". Almost 80% of transactions are made in stores. However, with the increase in the non-physical transaction the concept of non-store retail stores came into existence.

Hence, the rest 20% of trading transactions take place in non-store retail stores. There are five types of non-store retail trading formats such as telemarketing, direct selling, automatic vending, online retailing, and direct marketing.

### 5) Direct Selling



Direct selling is when customer and seller have direct contact with each other away from the store. direct selling is also referred to as home selling. The total volume of direct selling has been growing in India since the beginning of the 21st century.

Direct selling is not only popular in India but it is also utilized in many other countries. In Japan, approximately 35% of total selling is done by direct selling and in the United States of America, this number is 30%. There are two types of direct selling such as door to door and Party Plan.

There are a thousand big direct selling companies. Companies like Creative Memories, [Amway](#), and Excel Communications are a few popular companies which make their business through direct selling.

These companies market various types of product through direct selling. Direct selling is the best-suited way to sell products which require extensive demonstration.

#### **Features of direct selling:**

1. The whole business is controlled centrally.
2. There is no building to display products.
3. The seller needs to establish a relationship with the customers to gain their trust.
4. Direct selling does not require heavy initial investments.



**Advantages of direct selling:**

1. Customers can contact salesperson personally and can buy the product from the comfort of their home or at the non-store location.
2. Customers can ask for a demonstration of how a product work before making investments to buy it.
3. No expenses of maintaining or renting a building, stocking inventory, or hiring accountants and sales person to handle customers.

**Disadvantages of Direct Selling:**

1. Even if there is a high sales commission on selling but this a salesperson will only get paid when he makes any sales.
2. There are chances that your salesperson turns out to be fraudulent.

**6) Telemarketing**



Telemarketing is also known as telephone selling. In telemarketing, a salesperson initiates a sale over the phone to a prospect and close it over the phone only. It consists of cold canvassing from a phone directory. There are various products such as magazine subscriptions, pest control devices, club memberships, and credit cards which can be sold without seeing are usually sold over the phone. There are several problems associated with telemarketing also.

Telemarketing people sometimes encounter with hostile people on the telephone and receive many more rejections than close deals. Therefore, many sales person don't last even for a week in this

job and some telemarketers opt for unethical or questionable ways to somehow get a deal closed, for example, some firms call people at any time no matter day or night.

This method of selling is sometimes criticized for violating consumers' right to privacy. Some states have put strict rules to limit the activities of telemarketers. Despite these limits, the sales over telephones have increased tremendously in the past few decades.

There are some people who like the convenience of shopping over the phone really appreciate telemarketing even though it is loathed by many people. The cost of selling through telephone has reduced drastically after the introduction of computers, as computers can dial automatically, deliver recorded messages, and even record information provided by the buyer.

The future of telemarketing clearly depends on the way the above-mentioned problems will be handled.

#### 7) Online Retailing



Online retailing is when a firm offers products on their website and people and organizations from this company. In this way, both entities engage in the online transaction also known as internet marketing or electronic transactions.

In online marketing, there are one or more businesses involved and the buyer is an ultimate consumer. The number of online retail firms are rapidly increasing such as Pets Mart, Busy.com, CDNow.com, Amazon.com, etc. Some online retailers launch general products form retailers such as Wal-Mart and Target.

On the other hand, there are some firms like “Amazon” which uses different methods broaden their business. it takes some investments to set up online operations. Online retailers use attractive advertising to attract shoppers and retain them. sometimes, online marketing proves to be expensive and unprofitable because of the offers and discount offered by online marketers.

Even with these challenges online marketing has a bright future and is expected to grow in the foreseeable future. according to a survey in 2005, people like to buy products like music, videos, books, apparel, computer hardware and software, and travel, etc. but at present time, many more categories such as toys, groceries, health aids, beauty products, pet supplies, and auto parts.

#### 8) Automatic Vending



A sale is made without the slightest contact between a seller and a buyer through automatic vending. The idea behind selling through automatic vending is to provide convenient purchase. Products from well-known brands and those have great turn-over are usually sold through automatic vending machines.

Most of the selling from automatic vending comes from “4 Cs”: Coffee, Cold Drinks, Cigarettes, and candies. A vending machine is an appropriate way to expand business by reaching customers to such locations where there are no stores nearby or when they can’t come to a store.

The vending machines are installed in places like schools, colleges, workplaces, public facilities, etc. However, it is expensive to operate vending machines as they are required to replenish frequently.

In addition to replenishment cost, there are other costs of repairs and maintenance. The above-mentioned difficulties could be a reason for less scope of vending machines in the future.

moreover, frequent vending-related scams scare entrepreneurs spending in this retail format. However, various innovations are made to make vending machine business more lucrative for customers such as purchase using debit cards.

The amount of purchase is deducted from the cardholder's card. Technological advancement made it easy to monitor vending machines from distance and reducing the chances of out-of-stock, out-of-order, and theft incidences.

#### 9) Direct Marketing



Direct marketing consists of all Non-store retail formats except telemarketing, direct selling, online retailing, and automatic vending. Direct marketing is a way of contacting customers through broadcasting or print media.

The products are advertised on these media and customers buy products online without even going to retail stores. The different platforms to contact customers through direct selling are Television, radio, magazines, newspapers, mailing, and catalogs, etc.

Direct marketing can be of two types such as general merchandise firms which offers various types of products and other is specialty firms which offers one of two lines of products for example Beauty and books.

**This format of retailing includes**

1. **Catalog Retaining** – Catalogs are mailed to consumers or made provided to them in retail stores.
2. **Direct Mail** – Samples products, brochures, and mail letters are sent to consumers and ask them to make a purchase through telephone or email.
3. **Tele-shopping** – Various lines of products are sold on different television channels where people can learn about the features of the products and can place orders over the phone instantly.

Direct marketing also offers shopping convenience to consumers and it is also less expensive than owning a physical store as a seller don't have to run store to sell. Often liberal return policies are given to consumers like the product without touching and seeing the product physically.

This can be a drawback for the seller as many people take advantage of this policy. Moreover, it is expensive to prepare catalogs and they are required to be prepared a long time ago before sending to the customers.

Therefore, additional supplement brochures or catalogues are required when new products are launched. The future of direct marketing is not sure on the basis of the present customer's preferences.

#### 10) Franchising



In this retail format, a businessman who owns the business (known as a franchise) and a company who offers business (known as franchiser). A businessman can use the name of already well-established business's name to run their business under a certain condition set up franchiser.

The conditions vary from business to business however, a franchiser decides certain areas like site selection, location, training, management, marketing, financing, promotions, and record-keeping, etc. in addition to this, he also has rights to decide standard operating procedures and trade name of the business. A franchisee has to agree to follow conditions set by the franchiser.

### **Different benefits of franchising:**

1. Conserve capital.
2. Low marketing costs.
3. Easy to establish a distribution system to a short period of time.
4. Cost of fixed expenses cut down substantially.

Franchising business exists for various products like automobiles and parts, soft drinks, dry cleaning, and business services, etc.

A Franchisee is required to do the following things before investing in any kind of franchising business.

### **Role of Franchise**

1. Do a reference check with a financial institution.
2. Invest sufficient time and take measured risks.
3. make enough enquires regarding the product such as its quality, exclusiveness, appeal, effectiveness, and competitiveness to get repeated business.
4. Secure enough capital to buy a franchise because it is usually expensive.
5. Bear in mind that you will be supervised and you will be required to take orders to run your business in a particular way.
6. Take consultation from experienced for legal matters.

### **11) Mom and Pop stores**

Mom and Pop stores are types of retail format which is a small, independent, family-owned business. This type of stores usually faces tough competition from big well-established businesses who can lure customers to buy more with their heavy advertising and marketing methods.



Mom and Pop stores can be different types of establishments such as bookstores, restaurants, insurance agencies, and automotive repair shops, etc. nowadays, mom and pop businesses have a high scope of success because more and more people demand personalized products and services.

In addition to this, with the invention of the internet, these small stores also take their business online and orders from customers irrespective of their geographical location.

Moreover, this type of stores is also supported by people of local communities as they want to invest their money in local businesses over foreign businesses.

## 12) Speciality Stores



Specialty stores are small in size and they generally offer limited products categories but provides a high level of service. The specialty stores can be a drug store, DIY stores, Category Killers, etc.

### What is Retail data?

Retail data refers to any facts or figures that you can collect about your retail business which can then be used to improve your business. That means it can come in many different shapes and forms, including point of sales data, loyalty card data, and market data.

There's also your customer-centric data, supply chain and operations data and merchandising data. And harnessing all of this data is vital to the future of your retail business.

### Why is Retail Data so important?

Considering the power that your customers have today - they can decide your store's fate by deciding to either buy your products or not - it's crucial that you remain a step ahead of them. That is why retail data is so important. It gives you the information that you need to compete and compete well.



### Retail Research Report

**In making a Market research report, the following steps should be considered:**

- Determining the scope of the report
- Collect and categorize the information
- Target audience to be determined
- Analyze the research information
- Establishing the solution and findings
- Arriving at recommendations
- Determine the report format

### Product Coding



**Product code** is a unique [identifier](#), assigned to each finished/manufactured product which is ready, to be marketed or for sale.

**Product code** may also refer to:

- [Universal Product Code](#), common barcode used to identify packaged products
- [Electronic Product Code](#), an RFID code mainly applied as a packaging code for packaged products
- [Motion Picture Production Code](#) (*production code* for short)
- [Product key](#), a number used to verify the authenticity of a software as a license code
- [Serial number](#), a number identifying an item per instance

## PRODUCT REFERENCE

### What Is a Reference Number?

A reference number is a unique identifier assigned to any financial transaction including those made using a credit or [debit card](#). The reference number is created technologically and designated for a single transaction. A reference number helps an institution identify transactions in records and electronic databases used to monitor transactions associated with a card.

Reference numbers from each transaction on a customer's account are usually included in a cardholder's monthly statement.

### Understanding Reference Numbers

Reference numbers are used by financial institutions to make compiling and queries of millions of transactions easier to manage. They are generated once a transaction is completed and are made up of a combination of random letters and numbers. Reference numbers are generally assigned to transactions such as certain deposits and withdrawals, bank transfers, wire transfers, and bill payments.

These numbers are used both in printed statements, as well as [online banking](#) statements that a cardholder can access at any time. Credit card statements provide a summary of all of the transactions a cardholder makes during a given time period. Regulations require card companies to provide cardholders with instructions concerning the contents of the statement, as well as how to read and understand the different sections.

Some companies may use the term file number when referring to a reference number.

### Special Considerations

Reference numbers make it easier for customers to interact with [customer service](#) representatives. Consumers can communicate questionable transactions to the representative, who can then investigate it through the database to obtain more details about the transaction. For example, a customer may simply reference "transaction 123456" instead of using the store and date of the transaction. The descriptive elements of the transaction are maintained in the transaction metadata in the card company's database.

Each transaction's reference number provides a valuable identifier to help make the resolution process much faster for all transaction queries and any fraudulent charges. Card companies can track comprehensive information about a transaction by its reference number. With the reference number, the company can identify the merchant or seller, as well as the card terminal or terminal owner that was used to execute the transaction.

If a card has been compromised or used for fraudulent purposes, card companies can void the charges by using the reference number in the pending phase.

### **Types of Reference Numbers**

In some cases, customer service inquiries and calls may also generate a reference number. For example, if a customer calls to inquire about a product or service, the customer service representative may give that consumer a reference number to quote if they call back at a future date in order to complete the transaction. Reference numbers also provide operational transaction details for merchants. Merchants can use reference numbers to identify and track every transaction made from their business.

Reference numbers may also be assigned to a credit card or [loan application](#). The location of the reference number, in this case, varies depending on the issuer or provider. Typically, it's at the end of an application form or provided in an email or letter from the company. Most reference numbers will be found at the top of the application submission form which shows up after submitting an application. It's also usually quoted at the top of a follow-up email or letter from the company. Many companies provide reference numbers for credit cards or loans, while some do not.

### **ITEM CODING**

A way of identifying specific items and categorizing related inventory items. Codes often consist of a stock-keeping unit (SKU) number for bar coding or RFID coding purposes. This code helps identify where each unit is located, other products that may be used in conjunction with a given item, or possible alternative products that may serve a similar purpose. Coding also allows a warehouse tracking system to monitor the quantity of items in inventory and their status. Services may also have an item code assigned for invoicing purposes.

#### ***Why have item codes?***

An item code is used to identify a part unambiguously – that is, to identify it within the system without confusing it with another part. It is easier and more efficient to use a short item code to reference a part rather than its description for several reasons:

- An item code is shorter and easier to type

- A short item code can be easier to remember
- An item code will absolutely identify the part you need, not another part with the same description
- An item code removes ambiguity and confusion between parts

Every well-designed system uses item codes. You see them at the supermarkets on items (bar codes), on the back of appliances such as electrical goods and whitegoods, and are used by most, if not all, of your suppliers.

***Can an item code be used for different parts within Accentis?***

No. The whole point of item codes is that they identify one and only one kind of part or item within Accentis. Of course, you can choose to make a part code called “VALVE” and stock every different kind of valve you sell using the one-part code, but this would not give you the ability to differentiate between the different kinds of valve that you sell and would not allow you to cost or count them separately.

***Can item descriptions be the same?***

Yes. One reason for having item codes is that it allows you to use whatever you like for the description – and even use the same description for different parts. While this is not advisable for obvious reasons, Accentis places no restriction on your descriptions.

***What format can be used for item codes?***

Accentis places no restriction on the format of your item codes, except that they cannot be longer than 30 alpha-numeric characters. You can use dashes, dots, slashes and some other punctuation, but the following characters can have a special meaning when searching for text within the system and should not be used:

“	double quote
‘	single quote
?	question mark
[]	square brackets
{ }	curly braces
( )	parentheses
*	asterisk

***Why is the format of an item code important?***

You need to consider the speed and efficiency with which other staff can do their jobs when using item codes. Item codes are typed in regularly by sales and purchasing staff, and the speed with which they can locate codes will make their job easier and faster.

You also need to consider how an item code will look on printed material, on screen and how easy it is for your customers to use and deal with that code. Don’t forget that, in many cases, your customers will need to know and use your part codes, so making them easy to understand will help the purchasing process and reduce errors.

### *Recommendations for item codes*

#### **Don't turn the item code into the item description**

It is often a temptation to put the entire meaning of an item into its item code, but this should be avoided so you don't create item codes that are so long they are difficult to remember and type.

If your item codes are too long, operators will need to type in too much data before they reach a unique item code. For example, if you sold red plastic buckets and green plastic buckets, and your item code was PLASTIC-BUCKET-GREEN, an operator would have to type 15 letters before they narrowed the code down to the one they want. In this case it would be much better to have BKPLGN, for example.

Consider also whether long item codes can be displayed on the screen or on printed material such as quotes, order confirmations and invoices.

#### **Try to put some meaning into item codes**

If your item codes are purely numeric with no special meaning, it may be very difficult for new staff to identify the correct item on sales, quotes or purchases. They may need to display an item list and search constantly for the correct description, which will increase the time taken to process an order. If you create a coding scheme that follows a logical format, staff will learn quickly.

#### **Consider who will use the codes**

The staff using the codes may determine if you put too much meaning into the item code. For example, if all orders are taken electronically or via systems that quote the exact codes, the coding scheme can be largely meaningless and numeric. However, if you have staff members who need to enter codes manually, you may want to put more emphasis on making those codes easily locatable. A customer asking for a green plastic 10 litre bucket with a steel handle can easily be located by using a logical code such as BK10PLGNS.

#### **Code the item type before its characteristics**

It is better to code the type of item before its characteristics so you narrow the field of results down to the type of item and then choose the specific characteristics. For example, if you sell green buckets, code them BKGN or BKT-GREEN rather than GREEN-BUCKET. When you search for items, you will see all buckets and then the different colours, making things easier to choose.

#### **You don't have to use letters**

A great deal of meaning and structured codes can be gained from purely numeric item codes. For example, a code such as 360-023 might be used which, although purely numeric, may conform precisely to a well-defined coding scheme and can be as easy to remember as text-based codes.

**Don't be afraid to use a combination of meaningful letters and sequential numbers**

Sometimes you can only partially code a part's characteristics into the item code. For example, a 10-litre green plastic bucket made from polypropylene with a metal handle could quite validly be coded as BK10GNPPS, but what if you had 100 different designs printed on the side? It would be reasonable then to use numeric coding such as BK10GNPPS100 where the 100 was purely a number indicating the design.

**Allow codes to be expandable**

If you use a coding scheme, ensure that it is expandable for every possible item that you may sell or use - otherwise new items will need different coding and there will no longer be any consistency.

**Don't make a rod for your own back**

Don't enforce a coding scheme that won't cater for every possible item, because it is too restrictive. For example, consider a scheme where all raw materials started with R and all saleable items start with S. What happens when you also sell an item that happens to be a raw material? Examples like this are common and will complicate a good coding scheme very quickly. Conversely, if you used a scheme such as 800-01 whereby 800 indicates a type of bolt, what happens if you start to stock more than 100 types of bolt? You could start using 801, but what if you have already used that for something else?

**Consider how many different types of each item you will have**

If you have only a few of a certain type of item, you can nearly always code the item completely. For example, if you sell buckets of steel and plastic, and of them only 5 colours, your item code can easily accommodate all characteristics of the part. However, if you sell generators and each one has a dozen or more characteristics that differentiate it from the others, you may well have to resort to partial numeric coding such as GP1001 where GP means generator petrol and 1001 is a "meaningless" number for a 20kVA, silenced, imported, red generator on a skid base with 5 outlets.

**Don't be afraid to use supplier's codes instead of your own**

If your business deals largely with on-selling bought-in parts, you may consider simply using the manufacturer's part code instead of your own. However, be very careful to consider the following:

- Will you ever sell an item as the same thing but bought from more than one source?
- Do different suppliers' part codes ever conflict with each other?

**Don't forget about administrative item codes**

You can also use item codes for internal administrative things such as consumables, expenses and sundry items. You may consider coding these items with an A for Administration, C for consumable etc. For example, you may use item codes for stationery called ASTAT, or cleaning called ACLEAN. It is a good idea to make these

codes easily separated from your normal trading stock so that item lists for sales orders do not show them.

### *Coding scheme – worked example*

A company sells plastic pipes, fittings and accessories. One of the parts they sell is a plastic elbow. A good coding scheme could be:

*ELB20 = 20mm elbow*

The mm is superfluous and can be removed.

But what about elbows that are 20mm on one end and 40mm on the other? In this case, we could have:

*ELB2020 = 20mm x 20mm elbow*

*ELB4020 = 40mm x 20mm reducing elbow*

Consider then that you may have 90-degree, 45-degree and 30-degree elbows. This might make the item codes:

*ELB904020 = reducing elbow, 90-degree, 40mm x 20mm*

Finally, consider that the elbows may be made of different materials polyethylene and polypropylene. Given that the material is the most important aspect in this case, it could be first, giving you:

*PPEL904020 = polypropylene reducing elbow, 90-degree, 40mm x 20mm*

An alternative would be PPEL0001, PPEL0002 using a purely numeric identifier in combination with an alphabetic classification.

You may also decide that there are no more than 200 different basic classifications of part type such as pipe, elbow, tee, joiner etc. and have a 2-digit prefix for the type of part.

*10 = polyethylene pipe*

*11 = polyethylene elbow*

*12 = polyethylene tee*

*20 = polypropylene pipe*

*21 = polypropylene elbow*

*30 = steel pipe*

*40 = tools*

A 40mm x 20mm polypropylene 90dg reducing elbow might be 21-123 whereas a 50mm variety might be 21-124.

Finally, other variations on the theme to arrive at this part could be:

Use a hyphen to separate parts

*PP-EL-904020*

Use a RE specifically for reducing elbow

*PP-RE-904020*

## PRICING

Deciding how much to charge for your product requires more thought than simply calculating your costs and adding a mark-up.

“How much the customer is willing to pay for the product has very little to do with cost and has very much to do with how much they value the product or service they’re buying,” says Eric Dolansky, Associate Professor of Marketing at Brock University in St. Catharines, Ont.

Figuring out how much the customer values your product or service and pricing it accordingly is called value-based pricing. It’s a technique Dolansky believes more entrepreneurs should use.

5 common pricing strategies

Pricing a product is one of the most important aspects of your [marketing strategy](#). Generally, pricing strategies include the following five strategies.

[Cost-plus pricing](#)—simply calculating your costs and adding a mark-up

Competitive pricing—setting a price based on what the competition charges

Value-based pricing—setting a price based on how much the customer believes what you’re selling is worth

Price skimming—setting a high price and lowering it as the market evolves



Penetration pricing—setting a low price to enter a competitive market and raising it later

How do you arrive at a value-based price?

Dolansky provides the following advice for entrepreneurs who want to determine a value-based price.

Pick a product that is comparable to yours and find out what the customer pays for it.

Find all of the ways that your product is different from the comparable product.

Place a financial value on all of these differences, add everything that is positive about your product and subtract any negatives to come up with a potential price.

Make sure the value to the customer is higher than your costs.

Demonstrate to customers why the price will be acceptable, which includes talking to them.

If there is an established market, the current price range will help educate you about the customers' price expectations.

You still have to make sure the value to the customer is higher than your costs. Otherwise you will lose money with every product you sell.

Eric Dolansky Associate Professor of Marketing, Brock University

Value-based pricing: Best for differentiated businesses

Dolansky says entrepreneurs often used cost-based pricing because it's easier. They may also copy the prices of their competitors, which, while not ideal, is a slightly better strategy.

In an ideal world, all entrepreneurs should use value-based pricing, Dolansky says. But entrepreneurs who sell a commodity-like service or product, for example warehousing or plain white t-shirts, are more likely to compete on low costs and low prices.

For entrepreneurs offering products that stand out in the market—for example artisanal goods, high-tech products or unique services—value-based pricing will help better convey the value they offer.

3 ways value-based pricing can provide an advantage

In value-based pricing, the perceived value to the customer is primarily based on how well it's suited to the needs and wants of each customer. Dolansky says a company can gain an advantage over its competitors in the following ways.

The price is a better fit with the customer's perspective.

Value-based pricing allows you to be more profitable, meaning you can acquire more resources and grow your business.



When a price doesn't work, the answer isn't just to lower it, but to determine how it can better match customer value. That may mean adapting the product to better suit the market.

Pricing needs to match your target market

To sum up, pricing is one of the most important aspects of your market strategy, which also includes promotion, placement (or distribution) and people.

"It's important when you are considering your price that you realize it is not for yourself, but for your target customers," says Dolansky.

All pricing strategies are two-edge swords. What attracts some customers will turn off others. You cannot be all things to all people. But, remember you want the customer to buy your product, which is why you must use a strategy that's appropriate to your [target market](#).

## **SYLLABUS**

Consumer research- Importance- Consumer Market research cycle- Key Consumer Research Methodologies – Stages in new product development.

### **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.

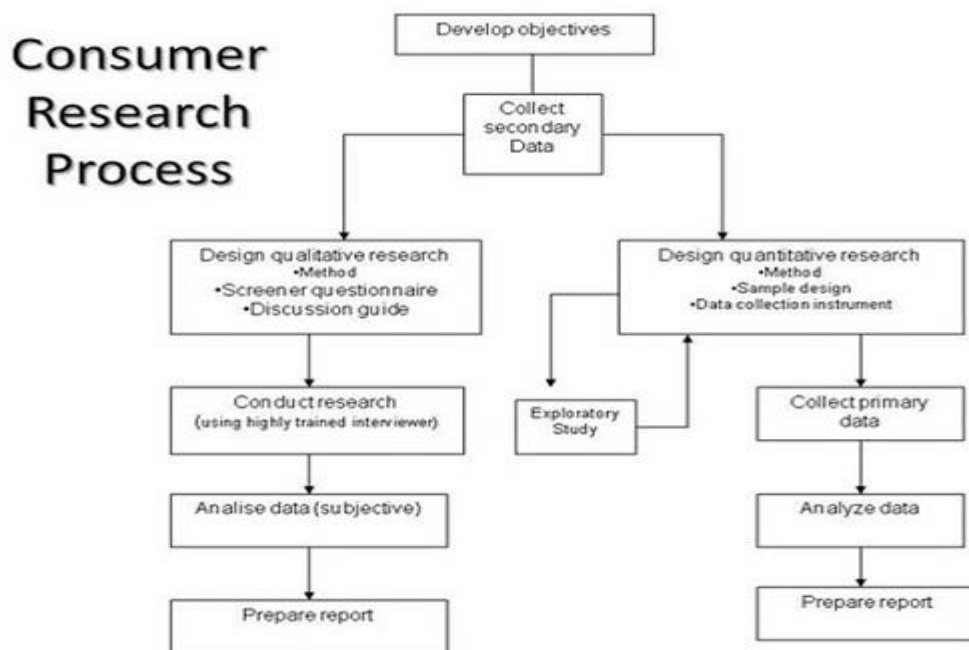
## **CONSUMER RESEARCH CYCLE**

### **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 oversee 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 its 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.)

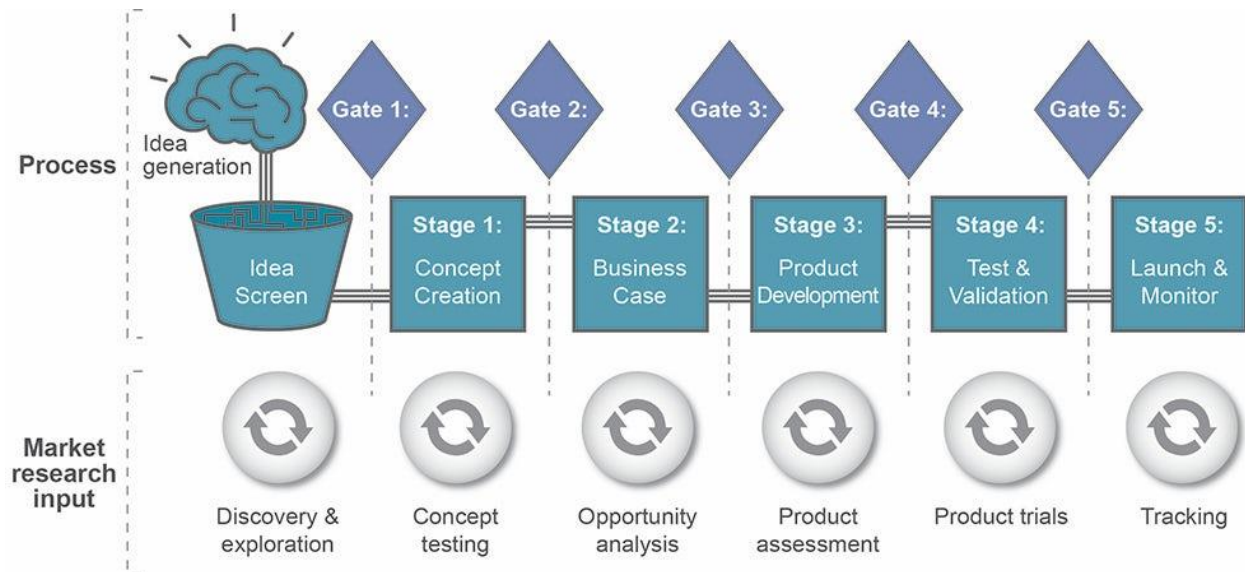
In internet jargon, honing the technicalities after beta testing involves final database preparations, estimation of server resources, and planning automated logistics. Be sure to have your technicalities in line when moving forward.

### **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.

## **Panel Data**

### **What is a panel?**

A panel is a pre-recruited group of individuals who have agreed to take part in market research such as surveys, in-depth interviews (IDIs), focus groups, or even [IHUTs](#). In order to participate in a panel in market research, members generally share a large amount of demographic data, household data, and behavioral data during the registration process which can make recruitment for future market research studies easier.

### **What benefits does a panel provide?**

Having a readily available group of respondents presents many advantages for a company including: (1) quicker fieldwork turnaround, (2) higher participation rates, (3) and potential cost savings versus other methodologies including telephone. A panel is essentially a group of people who have already opted-in to participating in market research.

### **Are there different types of panels?**

There are two types of market research panels: (1) research supplier panels and (2) customer or corporate panels.

### **What is a Supplier Panel?**

Research supplier panels are typically larger as they are made up of members from a cross-section of the B2C and B2B sectors. When you contact a research supplier panel, an incidence rate can be estimated to understand what percentage of their extensive database of panel members qualify for your study. An example of a research supplier panel would be Coca-Cola contacting the supplier and asking to conduct a competitive study on Pepsi. The supplier would be able to provide Coca-Cola with the number of Pepsi drinkers on their panel and an estimated number of completes it could provide.

### **What is a Corporate Panel?**

Customer or corporate panels are typically made up of solely customers who purchase specific products or services, share behavioral habits, interests or other similar traits. An example of this

would be a Coca-Cola panel of members willing to participate in research about Coca-Cola. A second example would be Barrett-Jackson Auction Company creating a panel of specifically made up of classic car enthusiasts, of which members would be available to participate in research studies for the organization.

### What Is a Consumer Panel?

Have you ever heard those statistics that say so many people watch this channel or use a particular product? These statistics come from a consumer panel, which is a representative group of people used for marketing research. For example, the consumer panel for a dog food company would be 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 portion 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.

### 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 products 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.

<b>PANEL TYPE</b>	<b>PROS</b>	<b>CONS</b>
<u>Generic Consumer Panel:</u> Run by a company similar to a market research company, these panels use random consumers, recruited to participate in a variety of projects.	You can use them quickly and efficiently.	They don't give you much quality higher than a focus group.

Consumers are screened based on their usage behavior—and you can ask them anything with quick turnaround.

<u><b>Trend-Setter Consumer Panel:</b></u> These panels are comprised of early-adopters, or trend-setters, in specific categories who can help companies understand what is next—or help evaluate up-and-coming technologies.	They are much more forward-thinking than regular consumers.	Their opinions may not be representative, and may send you down the wrong track.
<u><b>Brand-Lover Consumer Panel:</b></u> These panels are made up of brand-loving consumers who have “opted-in” from a company’s website. These consumers will respond to questions for free—as well as share their opinions and try products.	You can easily get consumers involved, AND keep up their love of the brand.	Their opinions are not representative of all consumers.
<u><b>Creativity-Trained Consumer Panel:</b></u> This is a panel of consumers who are designed for the innovation process. They are regular consumers, but have been screened and trained in how to use their creative problem solving skills. They partner with companies to help with their concept development process.	You get consumer-oriented solutions as part of the innovation process.	These panels require a commitment from the company to use them.

## 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](http://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

*Christine F*

### ***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.

**Forms**  
Use forms to keep record of your reps activities.

**Questions & input fields**

123 Short text

123 Long text

123 Numeric

Yes/No

Selection

Photo

Date

Section header

123 How many facing do we have? MANDATORY

What is the shelf Space MANDATORY

Top

Middle

Bottom

+ ADD ANSWER

Coupons Available MANDATORY

### ***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 product with 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.

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**Course code : 18BPU402****Course Name : Retail CPG and Market Research**  
**Unit I****Batch :2018-2021****Part A (online Exam)**

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	<b>the art and science of choosing target markets and getting, keeping, and growing customers through creating, delivering, and communicating superior customer value</b>	developing marketing strategies to move the company forward	<b>the art and science of choosing target markets and getting, keeping, and growing customers through creating, delivering, and communicating superior customer value</b>
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	<b>A service</b>	A good	An idea	<b>A service</b>
4	Marketers often use the term _____ to cover various groupings of customers	people	buying power	demographic segment	<b>market</b>	<b>market</b>



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5	The _____ concept holds that consumers and businesses, if left alone, will ordinarily not buy enough of the organization's products	product ion	<b>selling</b>	marketing	holistic marketin g	<b>selling</b>
6	Which of the following would be the best illustration of a subculture?	<b>A religio n</b>	A group of close friends	Your university	Your occupati on	<b>A religion</b>
7	The buying process starts when the buyer recognizes a _____.	Produc t	an advertise ment for the product	a salesperson from a previous visit	<b>problem or need</b>	<b>problem or need</b>
8	If actual performance exceeds the expected performance of the product, Then customer is	Satisfie d	Dissatisfi ed	<b>Delighted</b>	Neutral	<b>Delighted</b>
9	Bread and milk are which kind of products?	Special ty Produc ts	<b>Conveni ence products</b>	Shopping products	Unsough t products	<b>Convenience products</b>
10	Parents buy toys for their children act as _____ in the buying process.	Decide r	Buyer	Maintainer	<b>All of the above</b>	<b>All of the above</b>
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 marketi ng	interactiv e marketin g	service marketing	<b>internal marketi ng</b>	<b>internal marketing</b>
12	A cluster of complementary goods and services across diverse set of industries is called as	Market place	<b>Meta market</b>	Market space	Resourc e Market	<b>Meta market</b>
13	Adding new features to a product is advocated by which of the approaches?	<b>Produ ct</b>	Productio n	Marketing Approach	Selling Approac h	<b>Product Approach</b>

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		<b>Approach</b>	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	<b>To differentiate their products from those of competitors</b>	To do marketing surveys	<b>To differentiate their products from those of competitors</b>
15	What is the last stage of the consumer decision process?	problem recognition	<b>post purchase behavior</b>	alternative evaluation	purchase	<b>post purchase behavior</b>
16	_____ markets are made up of members of the distribution chain.	Consumer	Business-to-business (industrial)	<b>Channel</b>	Institutional	<b>Channel</b>
17	Which of the following is considered a “key player” in the marketing industry?	marketer	suppliers or vendors	distributors or retailers	<b>all of the above</b>	<b>all of the above</b>
18	_____ is the most visible part of the marketing strategy of an organization	<b>Marketing Mix</b>	Product Mix	Price Mix	Promotion mix	<b>Marketing Mix</b>
19	Businesses spend most of their advertising rupees on _____ markets	<b>Business to Business</b>	open	closed	All of the above	<b>Business to Business</b>

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20	A transaction in which the organization is making an initial purchase of an item to be used to perform a new job refers to which of the following purchases?	Straight rebuy purchase	Delayed purchase	<b>New-task purchase</b>	Modified rebuy purchase	<b>New-task purchase</b>
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	<b>Institutional</b>	<b>Institutional</b>
22	Which of the following is NOT considered a type of reseller?	wholesaler	retailer	<b>manufacturer</b>	distributor	<b>manufacturer</b>
23	The promotion “P” of marketing is also known as _____.	Product Differentiation	Distribution	Cost	<b>Marketing Communication</b>	<b>Marketing Communication</b>
24	When a company distributes its products through a channel structure that includes one or more resellers, this is known as _____.	<b>Indirect marketing</b>	direct marketing	multi-level marketing	integrated marketing	<b>Indirect marketing</b>
25	In marketing theory, every contribution from the supply chain adds _____ to the product.	<b>value</b>	costs	convenience	ingredients	<b>value</b>
26	Institutional markets consist of people who buy products and services for _____ use.	<b>personal</b>	Private	Industrial	Institutional	<b>personal</b>
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	<b>Evaluation of alternatives</b>	Post purchase	<b>Evaluation of alternatives</b>
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	<b>exchange</b>	production	customer	<b>exchange</b>

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29	The most basic level of a product is called the:	<b>core product.</b>	central product.	fundamental product.	augmented product.	<b>core product.</b>
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	<b>product</b>	service	<b>product</b>
31	In _____ consumers may share a strong need that cannot be satisfied by an existing product.	negative demand	<b>latent demand</b>	declining demand	irregular demand	<b>latent demand</b>
32	Marketing is both an “art” and a “science” there is constant tension between the formulated side of marketing and the _____ side.	<b>creative</b>	selling	management	behavior	<b>creative</b>
33	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	<b>business buyer behavior</b>	<b>business buyer behavior</b>
34	The four unique elements to services include:	Independence, intangibility, inventory, and inception	Independence, increase, inventory, and intangibility	<b>Intangibility, inconsistency, inseparability, and inventory</b>	Intangibility, independence, inseparability, and inventory	<b>Intangibility, inconsistency, inseparability, and inventory</b>
35	_____ products usually have intensive distribution because sales of these products tend to have a direct relationship to availability.	<b>Convenience</b>	Multiple	Shopping products	Unsought products	<b>Convenience</b>

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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	<b>societal marketing concept</b>	ethically responsible marketing	<b>societal marketing concept</b>
37	A change in an individual's behavior prompted by information and experience refers to which one of the following concept?	<b>Learning</b>	Role selection	Perception	Motivation	<b>Learning</b>
38	Holistic marketers achieve profitable growth by expanding customer share, _____, and capturing customer lifetime value.	undermining competitive competencies	<b>building customer loyalty</b>	milking the market for product desires	renewing a customer base	<b>building customer loyalty</b>
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	<b>Market-penetration</b>	Leader	<b>Market-penetration</b>
40	While buying milk which kind of behaviour is displayed by a person?	Extensive problem solving behaviour	<b>Routinized buying behaviour</b>	Variety seeking behaviour	None of the above	<b>Routinized buying behaviour</b>
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	<b>Institutional</b>	<b>Institutional</b>

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42	Which of the following is NOT considered a type of reseller?	wholesaler	retailer	<b>manufacturer</b>	distributor	<b>manufacturer</b>
43	The promotion “P” of marketing is also known as _____.	Product Differentiation	Distribution	Cost	<b>Marketing Communication</b>	<b>Marketing Communication</b>
44	When a company distributes its products through a channel structure that includes one or more resellers, this is known as _____.	<b>indirect marketing</b>	direct marketing	multi-level marketing	integrated marketing	<b>indirect marketing</b>
45	In marketing theory, every contribution from the supply chain adds _____ to the product.	<b>value</b>	costs	convenience	ingredients	<b>value</b>
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	<b>Evaluation of alternatives</b>	Post purchase	<b>Evaluation of alternatives</b>
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	<b>exchange</b>	production	customer	<b>exchange</b>
48	The most basic level of a product is called the:	<b>core product.</b>	central product.	fundamental product.	augmented product.	<b>core product.</b>
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	<b>product</b>	service.	<b>product</b>
50	In _____ consumers may share a strong need that cannot be satisfied by an existing product.	negative demand	<b>latent demand</b>	declining demand	irregular demand	<b>latent demand</b>

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51	Marketing is both an “art” and a “science” there is constant tension between the formulated side of marketing and the _____ side.	<b>Creative</b>	selling	management	behavior	<b>Creative</b>
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	<b>business buyer behavior</b>	<b>business buyer behavior</b>
53	The four unique elements to services include:	Independence, intangibility, inventory, and incepti on	Independence, increase, inventory, and intangibility	<b>Intangibility, inconsistency, inseparability, and inventory</b>	Intangibility, independence, inseparability, and inventory	<b>Intangibility, inconsistency, inseparability, and inventory</b>
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	<b>societal marketing concept</b>	ethically responsible marketing	<b>societal marketing concept</b>
55	A change in an individual's behavior prompted by information and experience refers to which one of the following concept?	<b>Learning</b>	Role selection	Perception	Motivation	<b>Learning</b>
56	Holistic marketers achieve profitable growth by expanding customer share, _____, and capturing customer lifetime value.	undermining competitive	milking the market for	renewing a customer base	<b>building customer loyalty</b>	<b>building customer loyalty</b>

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		competencies	product desires			
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	<b>Market-penetration</b>	Leader	<b>Market-penetration</b>
58	While buying milk which kind of behaviour is displayed by a person?	Extensive problem solving behaviour	<b>Routinized buying behaviour</b>	Variety seeking behaviour		<b>Routinized buying behaviour</b>
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	<b>Distribution</b>	Product	<b>Distribution</b>
60	The extended Ps of service marketing mix are :	<b>Physical Environment, Process, People</b>	People, Product, Place	Price Physical Evidence, Promotion	Product, Process, Physical Environment	<b>Physical Environment, Process, People</b>



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**Part A (online Exam)**

<b>S.no`</b>	<b>Question</b>	<b>Option A</b>	<b>Option B</b>	<b>Option C</b>	<b>Option D</b>	<b>Answer</b>
1	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	<b>Marketing</b>	<b>Marketing</b>
2	What is the basic property of a service which makes it different from a product.	Shape	Size	Very expensive	<b>Intangibility</b>	<b>Intangibility</b>
3	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?	<b>This is what I want, won't you please make it?</b>	<b>This is what I want, won't you please make it?</b>
4	The task of any business is to deliver _____ at a profit.	customer needs	<b>customer value</b>	products and services	improved quality	<b>customer value</b>
5	The solution to price competition is to develop a differentiated:	product, price, and promotion.	<b>offer, delivery, and image.</b>	package and label.	international Web site.	<b>offer, delivery, and image.</b>
6	You purchase cleaning supplies for your custodial help regularly. It is showing which buying situation?	Modified rebuy	<b>Straight rebuy</b>	Modified straight rebuy	Consumer buy	<b>Straight rebuy</b>
7	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	<b>Customer satisfaction</b>	<b>Customer satisfaction</b>

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8	Buying goods and services for further processing or for use in the production process refers to which of the following markets?	Consumer markets	Government markets	<b>Business markets</b>	International markets	<b>Business markets</b>
9	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	<b>Cultural values</b>	Brand images	<b>Cultural values</b>
10	The _____ refers to the various companies that are involved in moving a product from its manufacturer into the hands of its buyer.	<b>distribution chain</b>	network chain	supply chain	promotion network	<b>distribution chain</b>
11	_____ 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	<b>Consumer behavior</b>	<b>Consumer behavior</b>
12	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	<b>reference groups</b>	<b>reference groups</b>
13	Product choice is greatly affected by economic circumstances. All of the following would be among those circumstances EXCEPT _____.	spendable income	savings and assets	debts	<b>occupation</b>	<b>occupation</b>
14	_____ is a set of distinguishing human psychological traits that lead to relatively consistent and enduring responses to environmental stimuli.	Image	<b>Personality</b>	Beliefs	Culture	<b>Personality</b>
15	_____ portrays the "whole person" interacting with his or her environment.	Attitude	Reference group	<b>Lifestyle</b>	Culture	<b>Lifestyle</b>
16	A _____ when it is aroused to a sufficient level of intensity	<b>need becomes a motive</b>	personal demand exceeds the ability to rationally reject	reality unfulfilled demand becomes	a crisis	<b>need becomes a motive</b>

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17	The five-stage model of the consumer buying process includes all of the following stages EXCEPT _____.	problem recognition	information search	<b>social interaction</b>	purchase decision	<b>social interaction</b>
18	If performance meets consumer expectations, the consumer is _____.	delighted	<b>satisfied</b>	disappointed	surprised.	<b>satisfied</b>
19	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	<b>Core benefit</b>	Co-branding	<b>Core benefit</b>
20	The mental act, condition or habit of placing trust or confidence in another shows which of the following options?	Motive	Belief	Behavior	<b>Attitude</b>	<b>Attitude</b>
21	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	<b>Stimulus-response Model</b>	<b>Stimulus-response Model</b>
22	Which one of the following factor relates to family that influences consumer behavior?	Cultural	<b>Social</b>	Personal	Business	<b>Social</b>
23	Unique psychological characteristics that lead to relatively consistent and lasting responses to one’s own environment refers to which one of the following?	<b>Belief</b>	Culture	Personality	Self-awareness	<b>Belief</b>
24	Which one of the following is a key to build lasting relationships with consumers?	Price of the product	Need recognition	<b>Customer satisfaction</b>	Quality of product	<b>Customer satisfaction</b>
25	A _____ is someone seeking a response (attention, a purchase, a vote, a donation) from another party, called the _____.	<b>salesperson, customer</b>	politician, voter	marketer, prospect	celebrity, audience	salesperson, customer

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26	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	<b>selling concept</b>	production concept	product concept	<b>selling concept</b>
27	The _____ concept holds that consumers will favor those products that offer the most quality, performance, or innovative features.	<b>product</b>	marketing	production	selling	<b>product</b>
28	_____ 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.	<b>Relationship</b>	Direct	Demand-based	Holistic	<b>Relationship</b>
29	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	<b>product, price, promotion, and place</b>	<b>product, price, promotion, and place</b>
30	The traditional view of marketing is that the firm makes something and then _____ it. markets	<b>sells</b>	distributes	prices	services	<b>sells</b>
31	_____ is the single factor that best indicates social class.	Time	Money	<b>Occupation</b>	Fashion	<b>Occupation</b>
32	Marketing strategies are often designed to influence _____ and lead to profitable exchanges.	<b>Consumer decision making</b>	Sales strategies	Advertising strategies	Export strategies	<b>Consumer decision making</b>
33	_____ refers to the information a consumer has stored in their memory about a product or service.	Cognitive dissonance	<b>Product knowledge</b>	Product research	Marketing research	<b>Product knowledge</b>

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34	When consumers are seeking low-involvement products, they are unlikely to engage in extensive search, so _____ is important.	Order processing	Order booking	<b>Ready availability</b>	Information about warranty	<b>Ready availability</b>
35	_____ constitutes moderate consumer behavior, but still involves time and effort searching for and comparing alternatives.	<b>Limited decision making</b>	Need recognition	Routine decision making	Post purchase evaluation	<b>Limited decision making</b>
36	Which of the following is <b>NOT</b> one of the four philosophies of marketing	production orientation	societal marketing orientation	sales orientation	<b>promotion orientation</b>	<b>promotion orientation</b>
37	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	<b>Creating, Communicating, Delivering, and Exchanging</b>	Creating, Advertising, Selling, and Transferring	Performing, Displaying, Offering, and Exchanging	<b>Creating, Communicating, Delivering, and Exchanging</b>
38	The focus of marketing today is _____.	Value and Satisfaction	Quality and Long Term Relationships		<b>Both A and B</b>	<b>Both A and B</b>
39	Which of the following firms emphasizes on product's benefits to the customers rather product attributes?	Product oriented	<b>Market oriented</b>	Sales oriented	Product oriented	<b>Market oriented</b>
40	Products that are usually purchased due to adversity and high promotional back up rather than desire are called:	Sought goods	Unique goods	<b>Unsought goods</b>	Preferred goods	<b>Unsought goods</b>

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41	Luxury products, such as Rolex watches, are also known as:	Shopping product	Convenience product	Emergency product	Specialty product	Shopping product
42	Which of the following is NOT included as a basic idea in the definition of marketing concepts?	<b>Total company effort</b>	Profit	Productivity	Customer satisfaction	<b>Total company effort</b>
43	Which of the following is the most recent stage of marketing evolution?	Marketing department era	Production era	Sales era	<b>Marketing company era</b>	<b>Marketing company era</b>
44	_____ is defined as the difference between the benefits a customer sees from a market offering and the costs of obtaining those benefits.	<b>Customer value</b>	Satisfaction scale	Profit margin	Competitive benefit	<b>Customer value</b>
45	Which of the following is NOT included in the marketing management process used by the marketing manager to achieve its objectives?	Planning marketing activities	<b>Raising funds to finance the marketing projects</b>	Controlling marketing plans	Directing implementation of the marketing plans	<b>Raising funds to finance the marketing projects</b>
46	_____ is defined as communication with large numbers of customers at the same time	Personal selling	Sales promotion	<b>Mass selling</b>	All of the above	<b>Mass selling</b>
47	In a _____ orientation, the role of marketing research is to determine customer needs and how well the company is satisfying them.	<b>Marketing</b>	Production	Both	None of the above	<b>Marketing</b>

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48	When a manager focuses on making whatever products are easy to produce, and then trying to sell them, that manager has a _____ orientation.	Marketing	<b>Production</b>	Sales	Profit	<b>Production</b>
49	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	<b>Focus of advertising is on product features and how products are made</b>	Packaging is designed for customer convenience and as a selling tool	<b>Focus of advertising is on product features and how products are made</b>
50	The controllable variables a company puts together to satisfy a target group is called the _____	Marketing strategy	<b>Marketing mix</b>	Strategic planning	Marketing concept	<b>Marketing mix</b>
51	In order for exchange to occur:	a complex societal system must be involved.	organized marketing activities must also occur.	a profit-oriented organization must be involved.	<b>each party must have something of value to the other party.</b>	<b>each party must have something of value to the other party.</b>
52	A market orientation recognizes that:	price is the most important variable for customers.	<b>market intelligence relating to current and</b>	selling and marketing are essentially the same thing.	sales depend predominantly	<b>market intelligence relating to current and</b>

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			<b>future customer needs is important.</b>		on an aggressive sales force.	<b>future customer needs is important.</b>
53	When customer expectations regarding product quality, service quality, and value-based price are met or exceeded, _____ is created.	<b>customer satisfaction</b>	planning excellence	a quality rift	a value line	<b>customer satisfaction</b>
54	A critical marketing perspective is the process of determining:	the value of a product, person, or idea.	how places compete with each other.	<b>the worth and impact of marketing activities.</b>	which type of promotional strategy works best.	<b>the worth and impact of marketing activities.</b>
55	“How are you telling consumers in your target group about your product” This question belongs to which marketing concept?	Product	Price	Place	Promotion	Promotion
56	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
57	At least how many parties should be included in “Exchange”?	2	3	5	7	2
58	Which one of the following factor relates to family that influences consumer behavior?	Cultural	Social	<b>Personal</b>	Business	<b>Personal</b>
59	How many stages are involved in the consumer buying / adoption process?	2	3	5	7	5



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60	Distribution of product to get it in the marks refers to which of the following activities?	Selling Activities	Advertising activities	Promotion Activities	<b>Place or distribution activities</b>	<b>Place or distribution activities</b>
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**Part A (online Exam)**

S.no`	Question	Option A	Option B	Option C	Option D	Answer
1	skimming, penetration, bargaining and bundling are decided in the _____ of the Marketing Mix strategy.	<b>Price Decisions</b>	Place Decisions	Product Decisions	Promotion Decisions	<b>Price Decisions</b>
2	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	<b>Consumer products</b>	Industrial products	Capital items	<b>Consumer products</b>
3	A(n) _____ product exceeds customer expectations.	Strategic	Superior	<b>Augmented</b>	Anticipated	<b>Augmented</b>
4	The _____ identifies the product or brand.	Container	<b>Label</b>	Advertisement	Warranty	<b>Label</b>
5	A fundamental part of the distribution function is to get the product:	<b>To the right place at the right time</b>	Launched into new markets	To intermediaries	To market to avoid channel conflict	<b>To the right place at the right time</b>
6	Which of the following is NOT a part of marketing communication mix?	<b>Telemarketing</b>	Public relations	Sales promotion	Advertising	<b>Telemarketing</b>
7	Which of the following 4Ps of marketing mix involves decisions regarding channels coverage, assortments, locations, inventories or transports?	Product	Price	Place	Promotion	Place
8	A company designs the product with little or no input from customers, the	<b>Product concept</b>	Marketing concept	Selling concept	Production concept	<b>Product concept</b>

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	company is practicing which of the following concept?					
9	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	<b>process materials.</b>	<b>process materials.</b>
10	Products that are relatively inexpensive and are purchased frequently with minimal effort can be classified as products.	shopping	<b>convenience</b>	industrial	specialty	<b>convenience</b>
11	According to the text, a product is	<b>everything the customer receives in an exchange</b>	the physical object the customer receives in an exchange.	the service that is rendered to a customer.	the idea that the receives in an ex	<b>everything the customer receives in an exchange</b>
12	The consumer's estimate of the product's overall capacity to satisfy his or her needs is called:	Product Cost	<b>Product Value</b>	Product need	Product Satisfaction	<b>Product Value</b>
13	Which of the following is a name, term, sign, symbol, design, or a combination of these, that identifies that maker or seller of a product or service?	<b>Brand</b>	Label	Advertisement	Warranty	<b>Brand</b>
14	Aggressive selling is a characteristic of which of the following concept of marketing?	Product concept	Marketing concept	<b>Selling concept</b>	Production concept	<b>Selling concept</b>
15	Which of the following takes place at retailer's end?	Promotion	Placing	Pricing	<b>Exchange</b>	<b>Exchange</b>
16	Which of the following is NOT included in product decisions?	Styling	Brand name	<b>Warehousing</b>	Packaging	<b>Warehousing</b>
17	Identify the products that the customer usually buys frequently and with a	Specialty	<b>Convenience</b>	Unsought	Augmented	<b>Convenience</b>

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	minimum of comparison and buying effort.					
18	Price is the only element in the marketing mix that produces:	Fixed cost	Expense	Variable cost	<b>Revenue</b>	<b>Revenue</b>
19	Market –oriented firms focus on:	Retailers	Distributors	<b>Customers</b>	Wholesalers	<b>Customers</b>
20	While considering the place for a product which of the following is important for customer.	Communication	<b>Convenience</b>	Cost	Solution	<b>Convenience</b>
21	All of the following are the examples of unsought goods EXCEPT:	<b>Course books</b>	Encyclopedia	Funeral plots	Insurance policy	<b>Course books</b>
22	Which of the following firms emphasis on product's benefits to the customers rather than on product attributes.	Product concept	<b>Marketing concept</b>	Selling concept	Production concept	<b>Marketing concept</b>
23	Buying and selling of mass consumer goods and services comes under which of the following markets?	Business markets	Global markets	<b>Consumer markets</b>	Government markets	<b>Consumer markets</b>
24	Which of the following BEST describes the consumer's preference for products that are widely available to them?	<b>Product concept</b>	Marketing concept	Selling concept	Production concept	<b>Product concept</b>
25	Need becomes _____ when they are directed towards a specific object.	Actual need	<b>Want</b>	Satisfaction	Demand	<b>Want</b>
26	A television advertisement showing the safety features of the Volvo 240 DL would be best classified as which of the following?	<b>Product advertising</b>	Pioneer advertising	Defensive advertising	Societal marketing	<b>Product advertising</b>
27	Advertising appropriations are largest for which type of product?	Industrial products	<b>Convenience goods</b>	High-priced products	Specialty goods	<b>Convenience goods</b>
28	A consumer contest is an example of _____.	Personal selling	<b>Sales promotion</b>	Advertising	Indirect selling	<b>Sales promotion</b>
29	If the aim of the promotion to introduce a new consumer product is to achieve	<b>Advertising</b>	Sales promotion	Personal selling	Publicity	<b>Advertising</b>

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	high awareness levels, the firm will most likely make heavy use of _____ in the promotional mix.					
30	The basic role of promotion is _____.	Information	Manipulation	<b>Communication</b>	Interpretation	<b>Communication</b>
31	Which form of data below can usually be obtained more quickly and at a lower cost than the others?	Primary	Survey research	Experimental research	<b>Secondary</b>	<b>Secondary</b>
32	Secondary data are _____.	Collected mostly via surveys	Expensive to obtain	Never purchased from outside suppliers	<b>Not always very usable</b>	<b>Not always very usable</b>
33	Causal research is used to _____	Describe marketing problems or situations	Gather preliminary information that will help define problems	<b>Test hypotheses about cause-and-effect relationships</b>	Find information at the outset in an unstructured way	<b>Test hypotheses about cause-and-effect relationships</b>
34	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	<b>Defining the problem and research objectives</b>	Developing the research plan	Determining a research approach	<b>Defining the problem and research objectives</b>
35	In the second step of the marketing research process, research objectives should be translated into specific _____.	Financial amounts	<b>Information needs</b>	Time allotments	Results that justify the means	<b>Information needs</b>
36	Secondary data consists of information _____.	<b>That already exists somewhere and was collected</b>	Used by competitors	That the researcher can obtain through	That already exists	<b>That already exists somewhere and was collected</b>

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		<b>for another purpose</b>		surveys and observation	somewhere and is outdated	<b>for another purpose</b>
37	Which form of data below can usually be obtained more quickly and at a lower cost than the others?	Survey research	Syndicated	<b>Secondary</b>	Primary	<b>Secondary</b>
38	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	<b>It is generally more expensive to obtain than primary data</b>	<b>It is generally more expensive to obtain than primary data</b>
39	Which method could a marketing researcher use to obtain information that people are unwilling or unable to provide?	Focus groups	Personal interviews	<b>Observational research</b>	Questionnaires	<b>Observational research</b>
40	Survey research, though used to obtain many kinds of information in a variety of situations, is best suited for gathering information.	Attitudinal	Personal	Preference	<b>Descriptive</b>	<b>Descriptive</b>
41	Survey research is least likely to be conducted through which of the following?	<b>Observation</b>	Person-to-person interactions	The telephone	The Web	<b>Observation</b>
42	Which of the following is not a disadvantage of telephone interviews.	Interviewer bias is introduced	Under time pressures, some interviewers might cheat.	<b>Interviewers tend to interpret answers similarly.</b>	They are more expensive to conduct than mail questionnaires.	<b>Interviewers tend to interpret answers similarly.</b>
43	Which form of marketing research is flexible, allows for explanation of difficult questions, and lends itself to showing products and advertisements?	<b>Personal interviewing</b>	Ethnographic research	Observational research	Online interviewing	<b>Personal interviewing</b>

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44	What are the two types of research data?	<b>Qualitative and Quantitative.</b>	Primary and secondary.	Predictive and quantitative.	Qualitative and predictive.	<b>Qualitative and Quantitative.</b>
45	What is a major drawback of probability sampling?	<b>Takes too much time</b>	Sampling error cannot be measured	Easiest population from which to obtain info is chosen	Everyone has an equal chance of selection	<b>Takes too much time</b>
46	The most common research instrument used is the	<b>Questionnaire</b>	Moderator	Telephone interviewer	Live interviewer	<b>Questionnaire</b>
47	In marketing research, the _____ phase is generally the most expensive and most subject to error.	Interpreting and reporting the findings	Exploratory	<b>Data collection</b>	Data validation	<b>Data collection</b>
48	Despite the data glut that marketing managers receive, they frequently complain that they lack _____.	<b>Enough information of the right kind</b>	Accurate and reliable information	Quality information	Valid information	<b>Enough information of the right kind</b>
49	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	<b>Quality of customer insights it provides</b>	<b>Quality of customer insights it provides</b>
50	What is the first step in the marketing research process?	Developing a marketing information system	<b>Defining the problem and research objectives</b>	Interpreting data and deciding on type of research	Implementing the research plan	<b>Defining the problem and research objectives</b>
51	In CRM, findings about customers discovered through _____ techniques often lead to marketing opportunities.	Data warehouse	Customer loyalty management	Customer relationship strategy	<b>Data mining</b>	<b>Data mining</b>
52	What source of marketing information provides ready access to research information, stored reports, shared work documents, contact information for	An extranet	Marketing intelligence	<b>An intranet</b>	The Internet	<b>An intranet</b>

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	employees and other stakeholders, and more?					
53	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 _____.	<b>Informal surveys</b>	Experiments	Focus groups	Observation	<b>Informal surveys</b>
54	The marketing research process consists of four steps. Which of the following is not one of these steps?	<b>Evaluating the competitor strategies.</b>	Developing the research plan for collecting information.	Defining the problem	research objectives.	<b>Evaluating the competitor strategies.</b>
55	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	<b>All of the above</b>	<b>All of the above</b>
56	Behavioural targeting, the practice of _____, is being used by more and more companies.	Mining and analyzing data from data warehouses	Tracking customers' activities and rewarding customer loyalty	Observing and interacting with consumers in their natural environments	<b>Tracking consumers' online movements and using this information to target ads to them</b>	<b>Tracking consumers' online movements and using this information to target ads to them</b>
57	To consumers, research studies may appear to be little more than vehicles for _____.	Gathering names for resale	Building company image	<b>Selling the sponsor's products</b>	Training future salespeople to work with people face-to-face	<b>Selling the sponsor's products</b>



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58	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.	<b>All of the above</b>	<b>All of the above</b>
59	What are examples of techniques of obtaining qualitative data?	<b>Survey research/questionnaires; focus groups; in-depth interviews; observational techniques; experimentation.</b>	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.	<b>Survey research/questionnaires; focus groups; in-depth interviews; observational techniques; experimentation.</b>
60	what new product should be developed” is an example of .....??	Causal	<b>Exploratory</b>	Descriptive	None of the above.	<b>Exploratory</b>

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<b>S.no</b>	<b>Question</b>	<b>Option A</b>	<b>Option B</b>	<b>Option C</b>	<b>Option D</b>	<b>Answer</b>
1	Sources of marketing information are categorized into two groups - what are they?	<b>External sources; internal sources.</b>	Macro environmental sources; micro environmental sources	Causal resources.	All of the above	<b>External sources; internal sources.</b>
2	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.	<b>Relevance of data; who collects the data; method of data collection; evidence of careful work.</b>	<b>Relevance of data; who collects the data; method of data collection; evidence of careful work.</b>
3	What are three popular methods for obtaining primary data?	Experimentation; personal interview; Delphi technique.	Survey; interviews; experimentation.	<b>Interviews and surveys; observation; experimentation.</b>	Interviews and surveys; observation; Harrison methodology.	<b>Interviews and surveys; observation; experimentation.</b>
4	The marketing information system (MIS) begins and ends with _____	<b>Marketing managers</b>	Marketing intelligence	Information technologies	Consumers	<b>Marketing managers</b>
5	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	<b>Intrusion on consumer privacy and the misuse of</b>	False claims and pushy sales representatives	<b>Intrusion on consumer privacy and the misuse of research findings</b>

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			itches as 'pure' research	<b>research findings</b>		
6	What is the first stage of the marketing research process?	Implement the research plan	Collect and analyse the data	<b>Define the research problem</b>	Report the findings	<b>Define the research problem</b>
7	Primary data is _____.	Always collected before secondary data	<b>Collected for the specific purpose at hand</b>	Information that already exists	Data collected for other purposes	<b>Collected for the specific purpose at hand</b>
8	What are the two major advantages of collected data through telephone interviews?	<b>Sample control and speed of data collection</b>	Cost and response rate	Cost and speed of data collection	Control of interviewer effects and quantity of data collected	<b>Sample control and speed of data collection</b>
9	A powerful tool use in longitudinal research with exactly same people, group or organization across time periods is called.....	Focus group	<b>consumer panel</b>	RSA	None of the above	<b>consumer panel</b>
10	..... 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	<b>Retail shop audit</b>	consumer panel	TRP	RSA	<b>Retail shop audit</b>
11	The advertising is selecting slots for the advertising on the basis of which study?	Retail shop audit	consumer panel	TRP	<b>Media Audience tracking study.</b>	<b>Media Audience tracking study.</b>
12	What is TRP?	<b>Television Rating point</b>	Television on rating part	Television Rating process	Television Rader process	<b>Television Rating point</b>
13	_____research is the gathering of primary data by watching people.	Survey	Informative	<b>Observational</b>	Experimental	<b>Observational</b>

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14	Market research is function linking the consumer customer and public to market through	The media	<b>Information</b>	Market research	All of the above	<b>Information</b>
15	Marketing research is related to.....	Finance process	<b>Marketing Process</b>	Business Process	All of the above	<b>Marketing Process</b>
16	Source of research problem include	Researcher's experience	Practical issue that require solutions	Theory and past research	<b>All of the above</b>	<b>All of the above</b>
17	A... .....is written account of the plan for the research project.	Research design	<b>Research proposal</b>	Hypothesis	research statement	<b>Research proposal</b>
18	Customer Satisfaction is an example of which of research design?	<b>Qualitative</b>	Quantitative	Causal	Both A and B	<b>Qualitative</b>
19	Following are techniques of <b>Qualitative Research</b> ?	Depth interview	Focus group	Projective technique	<b>All of the above</b>	<b>All of the above</b>
20	The first step in the marketing research process is:	Gathering the budget necessary to conduct the research	<b>Establishing the need for marketing research</b>	Getting approval from top management to do research	Finding an appropriate marketing firm to carry out the research project	<b>Establishing the need for marketing research</b>
21	Interview is an example of which data??	<b>Primary</b>	Survey research	Experimental research	Secondary	<b>Primary</b>
22	The existing company information is an example of which data??	Primary	Survey research	Experimental research	<b>Secondary</b>	<b>Secondary</b>
23	Effective corporate branding involves creating	new products on an ongoing basis.	emotional connections with customers	many different advertising messages	direct channels of distribution	emotional connections with customers

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24	Why is it important for a business to maintain an adequate stock level?	To handle expected sales	To sell the most trendy items	To fill available space	To organize new inventory	To handle expected sales
25	Why is it important for supermarket chains to determine the final cost of purchases from domestic and international sources?	To calculate gross profit	To monitor operating expenses	To set up a depreciation schedule	To apply for personal loans	To calculate gross profit
26	The basic objective of product promotion is to	demonstrate the firm's social responsibility	inform the public about the company's future	enhance company morale and recruit employees	persuade consumers to buy a good or service.	persuade consumers to buy a good or service.
27	Which of the following kinds of paid promotion is most likely to be used to promote the entire company	Publicity	Sales promotion	Advertising	Personal selling	Advertising
28	Which technological advancement has enhanced the efficiency and quality of photographs, copy, and illustrations in printed promotional pieces?	Spreadsheet computer software	Interactive viewing capabilities	Graphic design software	Database tracking capabilities	Graphic design software
29	Advertisements may be deemed unfair if they cause substantial injury to consumers. Regulators have determined that substantial injury ordinarily involves _____ harm	cognitive	monetary	emotional	behavioral	monetary

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30	Which of the following promotional methods is used by many apparel retailers because it shows consumers that latest fashions at minimum expenses to the business	Radio commercial	Magazine advertising	Fashion show	Newspaper advertising	Newspaper advertising
31	Which of the following is an example of direct advertising	A retailer conducts a telephone survey to determine its customers' satisfaction with its services	A hotel chain develops an advertising campaign that includes television spots and billboards	A soft-drink company places an advertisement on television during a major sporting event	An apparel company mails its latest catalog to customers who have ordered items within a year	An apparel company mails its latest catalog to customers who have ordered items within a year
32	Samples, premiums, and advertising specialties are examples of _____ used in sales promotion	publicity strategies	communication channels	marketing activities	selling techniques	communications channels
33	Making sure that the headline, illustrations, and copy promote the same theme is an example of co-ordinating	elements in advertisements	principles of design	channels of communication	arrangements in print.	elements in advertisements
34	What do many businesses often use to promote products and increase awareness?	Public-relations activities	Creative thinking	Marketing research	Cause-related advertising	Public-relations activities

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35	One reason why it is effective for businesses to use trade shows as a way of communicating with their target audience is because the consumers who attend the show are the ____	potential employees	major competitors	important local residents.	most likely prospects	most likely prospects
36	_____ is an organisation formed for rendering services to advertisers such as preparing the layout for advertisements getting the block made for layouts, getting the advertisements made through suitable media, undertaking the market research etc	Advertising Agency	Advertising media	Advertising layout	Advertising budget	Advertising Agency
37	What type of display sign might a store design for use near the main entrance to promote a storewide special event?	Counter card	Point-of-sale card	Sign topper	Full-sheet poster	Full-sheet poster
38	When deciding if the business should use a point-of-purchase display, a primary consideration is the	economic changes.	number of salespeople on hand.	competitors' activities	type of merchandise to be sold.	type of merchandise to be sold.
39	If there is no suitable merchandise available to replace an item of merchandise sold from a display, the appearance of the display can easily be maintained by	putting up a new backdrop.	rearranging the display	changing the fixtures	changing the color scheme	rearranging the display
40	Which of the following is an advantage of a related-item display arrangement:	Time	Selling power	Space	Cost	Selling power
41	When salespeople demonstrate the features and benefits of goods or services, they often are able to	provide jobs for more employees	add usefulness to products.	develop new and improved products	create desire for products.	create desire for products.

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42	Which of the following is one way that good customer service has a positive effect on sales relationships	Promotes repeat business	Offers financial assistance	Encourages follow-up	Suggests new information	Encourages follow-up
43	Businesses hope that individuals who are favorably impressed with the business will tell others about it so that the business will receive_____publicity	specialty	sponsored	word-of-mouth	point-of-purchase	specialty
44	Marcus, a salesperson, uses a computer software program to store important information about his customers—their names, addresses, and phone numbers. The purpose of this technology is to	manage contacts	evaluate territories.	develop reports.	plan presentations	manage contacts
45	Before developing a product feature-benefit chart, a salesperson must first	explain the product's apparent benefits	evaluate the competition's reactions	obtain the necessary facts	list the product's most important features.	obtain the necessary facts
46	Ron is a clerk in a bakery and his brother is a car dealer. As salespeople, the brothers will	spend a lot of time prospecting	use the selling process differently	need to qualify potential leads	sell to the same type of customer.	use the selling process differently
47	An example of the use of product demonstration is	handing out sale brochures.	measuring the height of a customer	presenting a feature-benefit chart.	preparing popcorn in a microwave oven.	preparing popcorn in a microwave oven.



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48	What type of suggestion selling would a salesperson use when a customer is in need of a gift for Father's Day?	Suggesting related products	Suggesting higher priced products	Suggesting new uses for products	Suggesting products for special occasions	Suggesting products for special occasions
49	Krista received a birthday card from the dealership where she purchased her car. What was the dealership's purpose in sending the card?	To verify orders	To arrange training	To build goodwill	To resolve problems	To build goodwill
50	Retailers often stock generic brands because they want to appeal to _____ customers.	quality-conscious	status-oriented	high-income	price-oriented	price-oriented
51	This type of retail store stands alone, physically separate from other retail stores.	Free standing locations	Central storage	Central business district	Factory outlet centre	Free standing locations
52	an outlet center consists mostly of manufactures stores selling their own brands at a discount.	Free standing locations	Central storage	Central business district	Factory outlet centre	Factory outlet centre
53	The two main elements of communication are ____	Sender and receiver	Message and Media	encoding and decoding	response and feedback	Sender and receiver
54	The word advertise means _____	to turn to	turn of	to convey	to response	to turn to
55	_____ is the mode of communication adopted by business community for achieving certain specific objectives	Advertisement	Motivation	Sales	Promotion	Promotion
56	_____ is a part of the promotion is a part of the promotional activities of the business undertakings.	sales promotion	Advertisement	Motivation	Sales	sales promotion

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57	"Promotion encompasses all the tools in the marketing mix whose major role is persuasive communication" defined by _____	American Marketing Association	Philip Kotler	J.Stanton	Roger A.Strong	Philip Kotler
58	"Promotion is an exercise of information, persuasion and influence" is the definition of _____	American Marketing Association	Philip Kotler	J.Stanton	Roger A.Strong	J.Stanton
59	"those marketing activities other than personal selling, advertising and publicity that stimulate consumer purchasing and dealer effectiveness such as displays, shows and expositions, demonstration and various non- recurrent selling efforts not in the ordinary routine" is the definition given by	American Marketing Association	Philip Kotler	J.Stanton	Roger A.Strong	American Marketing Association

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60	Promotion includes —all forms of sponsored communication apart from activities associated with personal selling. It, thus includes trade shows and exhibits, coupon, sampling, premiums, trade allowances, sales and dealer incentives, sent of packs, consumer activities, rebates, point of purchase material and direct mail.	American Marketing Association	Philip Kotler	J.Stanton	Roger A.Strong	Roger A.Strong
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**Part A (online Exam)**

<b>S. no</b>	<b>Question</b>	<b>Option A</b>	<b>Option B</b>	<b>Option C</b>	<b>Option D</b>	<b>Answer</b>
1	There are _____ kinds of premium	2	4	5	3	4
2	Under this method, the producer agrees to pay an advertising allowance to the retailers for each unit of product purchased or a contract for a specified period	Merchandise Advertisement	Co-operative Advertisement	Free goods	Buy Back Allowances	Co-operative Advertisement
3	The buying allowance is offered to the dealers to induce them to buy a new product introduced by the manufacturer	Buying Allowances	Free goods	Buy Back Allowances	Trade Promotion	Buying Allowances
4	A _____ premium is an item that the company will sell by mail at price well below the normal or the original price to consumers, who request it.	Money Refund Offer	Price off Promotion	self liquidating	Free in Mall Premium	self liquidating
5	Bonus is offered on sales in excess of the quota fixed by the sales manager in consultation with the salesmen. This is known as _____	Sales force contest	Bonus to Sales offer	Free goods	Free in Mall Premium	Bonus to Sales offer
6	This offer is usually stated in media advertising that the manufacturer will return within a stated period the whole of the purchase price if he is not completely satisfied	Free in Mall Premium	Bonus to Sales offer	Price off Premium	Money Refund offers	Money Refund offers
7	_____ is a certificate that entitles the consumer to a specified saving on the purchase of a specified product.	Coupon	Sampling	Premium	Bonus	Coupon
8	_____ are offers of a free amount or trail of a product to the consumers.	Coupon	Sampling	Premium	Bonus	Sampling
9	_____ are announced to stimulate company salesman to double their selling interests and efforts over a stated period, with prizes going to the top performers	Sampling	Premium	Sales Force Contest	Coupon	Sales Force Contest

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10	The typical method of retail operation used by supermarkets and catalog showrooms is called _____	self-service retailing.	limited-service retailing.	full-service retailing.	service-merchandiser.	self-service retailing.
11	Marketers are sometimes accused of deceptive practices that lead consumers to believe they will get more value than they actually do. includes practices such as falsely advertising "factory" or "wholesale" prices or a large price reduction from a phony high retail price	Deceptive promotion	Deceptive packaging	Deceptive pricing	Deceptive cost structure	Deceptive pricing
12	The study of human populations in terms of size, density, location, age, gender, race, occupation, and other statistics is called	Geography.	Demography	Ethnography	Hemos-popography.	Demography
13	When companies make marketing decisions by considering consumers' wants and the long-run interests of the company, consumer, and the general population, they are practicing which of the following principles?	Innovative marketing	Consumer-oriented marketing	Value marketing	Societal marketing	Societal marketing
14	The advantages of audience selectivity, no ad competition and personalization apply to which type of media?	Newspapers	Television	Direct Mail	Radio	Direct Mail
15	One of the most promising developments in multivariable segmentation is called _____ where a host of demographic and socioeconomic factors are used	terragraphic segmentation	fermagraphic segmentation	geothermy segmentation	geodemographic segmentation	geodemographic segmentation

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16	Regulations that arise to ensure that firms take responsibility for the social costs of their products or production processes stem from which reason for government legislation of business?	To protect companies from each other	To protect consumers from unfair business practices	To protect the interests of society	To protect businesses from unfair consumer demands.	To protect the interests of society
17	The first modern environmental movement in the United States began in the:	1940s	1950s	1960s and 1970s	mid-1980s	1960s and 1970s
18	Today, advertising captures about percent of total promotion spending	15	23	29	33	23
19	All of the following are thought to be sources of new product ideas EXCEPT	internal sources.	customers	competitors	the local library.	the local library.
20	Costs that do not vary with production or sales levels are called	fixed costs	variable costs.	standard costs.	independent costs.	fixed costs
21	The last stage in the selling process is the	approach	handling objections	closing	follow-up	follow-up
22	Each salesperson is assigned to an exclusive area in which to sell the company's full line of products or services in which type of salesforce structure?	Territorial sales force	Product sales force.	Customer sales force	Hybrid sales force	Territorial sales force
23	The process that turns marketing strategies and plans into marketing actions in order to accomplish strategic marketing objectives is called:	Marketing strategy	Marketing control	Marketing analysis	Marketing implementation	Marketing implementation

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24	If Honda uses its company name to cover such different products as its automobiles, lawn mowers, and motorcycles, it is practicing which of the following strategies?	new brand strategy	line extension strategy	multibrand strategy	brand extension strategy	brand extension strategy
25	Technological advances, shifts in consumer tastes, and increased competition, all of which reduce demand for a product are typical of which stage in the PLC?	decline stage	decline stage	growth stage	maturity stage	decline stage
26	When a marketing research organization chooses a segment of the population that represents the population as a whole, they have chosen a	group	bi-variant population	sample	market target	sample
27	_____ is screening new-product ideas in order to spot good ideas and drop poor ones as soon as possible	Idea generation	Concept development and testing	Idea screening	Brainstorming	Idea screening
28	A "three-day cooling off period" in which buyers can cancel a contract after re-thinking it is to protect the consumer from:	creative selling	high pressure selling	detail selling	hard core selling	high pressure selling
29	The type of salesforce structure in which the salesforce sells along product lines is called a:	territorial salesforce	product salesforce.	customer salesforce	retail salesforce	product salesforce.
30	The shrinking of distances due to technological advances such as computer and fax connections by telephone, are one characteristic of what new challenge to marketing?	Rapid globalization	The changing world economy.	The call for more socially responsible marketing	The micro-chip revolution.	Rapid globalization

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31	Joining with foreign companies to produce or market products and services is called:	direct exporting.	indirect exporting	licensing.	joint venturing.	joint venturing.
32	The major advantage of survey research is its:	simplicity	structure.	organization	flexibility.	flexibility.
33	The holds that consumers will favor products that are available and highly affordable (therefore, work on improving production and distribution efficiency).	product concept	production concept	production cost expansion concept	marketing concept	production concept
34	All of the following factors can affect the attractiveness of a market segment EXCEPT	the presence of many strong and aggressive competitors.	the likelihood of government monitoring.	actual or potential substitute products	the power of buyers in the segment.	the likelihood of government monitoring.
35	A(n)_____ is a name, term, sign, symbol, or design, or a combination of these that identifies the maker or seller of a product or service	product feature	sponsorship	brand	logo	brand
36	If a government uses barriers to foreign products such as biases against a foreign company's bids, or product standards that go against a foreign company's product features, the government is using:	protectionism.	exchange controls	exchange facilitators	nontariff trade barriers.	nontariff trade barriers.
37	If your company were to make light bulbs to be used in photocopiers, you would most likely be selling to a market	reseller	business	government	service	business



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38	If an advertiser wants flexibility, timeliness, good local market coverage, broad acceptability, and high believability, the advertiser will probably choose which of the following mass media types?	Newspapers	Television	Direct Mail	Radio	Newspapers
39	The choice between high markups and high volume is part of which of the following retailer marketing decisions?	Target market decisions	Product assortment and services decisions	Pricing decisions	Promotion decisions	Pricing decisions
40	_____ has the advantage of being high in selectivity; low cost; immediacy and interactive capabilities	Direct Mail	Outdoor	Online	Radio	Online
41	_____ is a person's distinguishing psychological characteristics that lead to relatively consistent and lasting responses to his or her own environment	Psychographics	Personality	Demographics	Lifestyle	Personality
42	One common misuse of marketing research findings in contemporary business is the tendency for marketing research to:	become a vehicle for pitching the sponsor's products.	become a vehicle for discriminating in the marketplace	become a means for raising prices.	become a means for unfair competition.	become a vehicle for pitching the sponsor's products.
43	When producers, wholesalers, and retailers act as a unified system, they comprise a:	conventional marketing system	power-based marketing system	horizontal marketing system.	vertical marketing system	vertical marketing system
44	The place in the business buying behavior model where interpersonal and individual influences might interact is called the:	environment	response.	stimuli	buying center	buying center

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45	The type of trade-promotion discount in which manufacturers agree to reduce the price to the retailer in exchange for the retailer's agreement to feature the manufacturer's products in some way is called a(n):	discount	allowance.	premium.	rebate.	allowance.
46	The course of a product's sales and profits over its lifetime is called:	the sales chart.	the dynamic growth curve	the adoption cycle.	the product life cycle.	the product life cycle.
47	If your company were to make a product such as a suit of clothes and sold that product to a retailer, your company would have sold to the market.	reseller	business	government	service	reseller
48	All of the following are methods by which a company can divide up its sales responsibilities EXCEPT :	territorial sales force structure	psychographic trait sales force structure	product sales force structure	customer sales force structure	psychographic trait sales force structure
49	Given recent information about growth trends and growth potential of ethnic populations within the U.S. market, which of the following ethnic groups would be a best bet to double during the next half century and become one of the U.S. market's most viable segments?	Hispanics and Asians	African Americans	Western Europeans	Middle Eastern	Hispanics and Asians
50	A is the way consumers perceive an actual or potential product	product idea	product image	product concept	product feature	product image

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51	A company faces several major decisions in international marketing. The first of these decisions is often:	deciding whether to go international .	looking at the global marketing environment	deciding which markets to enter	deciding how to enter markets.	looking at the global marketing environment
52	Catalog marketing is big business in the United States. The average household receives catalogs per year.	25	50	75	100	50
53	is the concept under which a company carefully integrates and coordinates its many communications channels to deliver a clear, consistent, and compelling message about the organization and its products.	The promotion mix	Integrated international affairs	Integrated marketing communications	Integrated demand characteristics	Integrated marketing communications
54	The fact that services cannot be stored for later use or sale is evidence of their	intangibility .	inseparability.	variability.	perishability.	perishability .
55	is a strategy of using a successful brand name to launch a new or modified product in a new category	Duo branding	Line extension	Brand extension	Multi branding	Brand extension
56	When a company reviews sales, costs, and profit projections for a new product to find out whether these factors satisfy the company's objectives, they are in which of the following new process development stages?	Concept development and testing.	Commercialization.	Business analysis	Marketing strategy development.	Business analysis

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57	All of the following are commonly recognized promotion budget formats EXCEPT	the affordable method	the LIFO method.	the percentage-of-sales method.	the objective-and-task method	the LIFO method.
58	If a consumer describes a car as being the "most economical car on the market," then this descriptor is a:	rule.	attitude.	belief.	cue.	belief.
59	A company is practicing if it focuses on subsegments with distinctive traits that may seek a special combination of benefits.	micromarketing	niche marketing	mass marketing	segment marketing	niche marketing
60	The primary reason that many companies work to become the "low-cost producers" in their industry is because	they can generate more advertising	they can please top management	they can gain tax advantages.	they can set lower prices that result in greater sales and profits.	they can set lower prices that result in greater sales and profits.