

M.V.S.R Engineering College

MBA Department

Basic Marketing Concepts

1. Name the marketing legend who first coined the word Privatization in his book "The age of discontinuity"? Peter F.Druker
2. Name the personality who coined the term 'Marketing Myopia'? Theodore Levitt.
3. "Demand Spillover": Sale of a product or brand in one country market generates demand in another country.
4. "Double branding": Usage of New and old brand names and logos.
5. "Cherry Picking": Bargaining by going from store to store to get the best deal.
6. What does the abbreviation FFP stand for as in airlines jargon? Frequent Flyer Programme.
7. If you buy health drink brands you would have noticed the words RDA Balanced Formula on it. What does it mean? Recommended Dietary Allowance.
8. BCG – “Boston Consulting Group's Growth-Share Matrix.”
9. Difference between market and marketing: A market is, therefore, the set of all actual and potential buyers of a market offer. Marketing, on the other hand, is an organizational function and a set of processes that work in tandem to serve the market effectively, efficiently and profitably.
10. Difference between selling and marketing: Selling has a product focus and mostly producer driven and marketing focus on the customer rather than the product.
11. 7Ps of Marketing Mix: Product, Price, Place, Promotion, People, Process and Physical evidence
12. Micro environment factors are factors close to a business that have a direct impact on its business operations and success.
13. Macro environment factors are factors operating in an organization’s external environment, they are not specifically about the organization but affect the overall operation of the organization. The acronym PEST is an easy way to remember the factors that make up the macro environment and stands for Political, Economical, and Social and Technological environment.
14. Market segmentation is a marketing strategy that involves dividing a broad target market into subsets of consumers who have common needs (and/or common desires) as well as common applications for the relevant goods and services.

15. A target market is a group of customers that the business has decided to aim its marketing efforts and ultimately its merchandise towards market segment.
16. Positioning is the process by which marketers try to create an image or identity in the minds of their target market for its product, brand, or organization.
17. Re-positioning involves changing the identity of a product, relative to the identity of competing products.
18. A brand is the idea or image of a specific product or service that consumers connect with, by identifying the name, logo, slogan, or design of the company who owns the idea or image.
20. New product development (NPD): is the the complete process of bringing a new product to market. A product is a set of benefits offered for exchange and can be tangible (that is, something physical you can touch) or intangible (like a service, experience, or belief).
21. Advertising Vs Publicity: Advertising is paid form of ideas, goods and services while publicity is not paid by the sponsor.
22. Product life-cycle management (or PLCM) is the succession of strategies used by business management as a product goes through its life-cycle. The condition in which a product is sold (advertising, saturation) changes over time and must be managed as it moves through its succession of stages.
23. Packaging is the science, art, and technology of enclosing or protecting products for distribution, storage, sale, and use. Packaging also refers to the *process* of design, evaluation, and production of packages.
24. Advertising is a form of communication for marketing and used to encourage or persuade an audience (viewers, readers or listeners; sometimes a specific group) to continue or take some new action.
25. Sales promotion includes several communications activities that attempt to provide added value or incentives to consumers, wholesalers, retailers, or other organizational customers to stimulate immediate sales.
26. Public relations (PR) are the practice of managing the flow of information between an individual or an organization and the public. Public relations provides an organization or individual exposure to their audiences using topics of public interest and news items that do not require direct payment
27. Personal selling involves a two-way flow of communication between a buyer and seller, Often in a face-to-face encounter, designed to influence a person's or group's purchase decision.

28. Internet marketing, also known as web marketing, online marketing, webvertising, or e-marketing, is referred to as the marketing (generally promotion) of products or services over the Internet.

29. Consumer behavior is the study of individuals, groups, or organizations and the processes they use to select, secure, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society.

30. 7 O's of consumer behavior: Outlets, Operations, Organizations, Occupant, Object of Purchase, Object of buying, and Occasion of buying.

31. Industrial market segmentation is a scheme for categorizing industrial and business customers to guide strategic and tactical decision-making, especially in sales and marketing.

32. services marketing. Services marketing typically refers to both business to consumer (B2C) and business to business (B2B) services, and includes marketing of services like telecommunications services, financial services, all types of hospitality services, car rental services, air travel, health care services and professional services.

33. Annual Plan Control: One of the four types of marketing control system, needed by the companies to evaluate their marketing effort. Its aim is to ensure that the company achieves the sales, profit and other goals established in the beginning of the year. The prime responsibility of annual plan control is of top management and middle management.

34. Efficiency control: If a profitability analysis reveals that the company is earning poor profits in certain products, territories or markets then it is time to look for more efficient ways to manage the sales force, advertising, sales promotion, and distribution in connection with these marketing entities.

35. Marketing Myopia: Marketing Myopia refers to "focusing on products rather than customers."

36. Difference between Consumer and customer: -A customer is who buys the things but a consumer is the person who finally utilizes it.

37. Sample Size: Sample size determination is the act of choosing the number of observations or replicates to include in a statistical sample

38. Research Design: Research design is considered as a "blueprint" for research, dealing with at least four problems: which questions to study, which data are relevant, what data to collect, and how to analyze the results

39. Marketing Research: According to *American Marketing Association*, "Marketing Research is the function that links the consumer, customer and public to the marketer through information-information used to identify and define marketing opportunities and problems, generate, refine and evaluate marketing actions; monitor marketing performance; and improve understanding of marketing as a process."

40. Project report: A project plan, according to the Project Management Body of Knowledge, is: "...a formal, approved document used to guide both *project execution* and *project control*."
41. Product Mix: Product mix, also known as product assortment, refers to the total number of product lines that a company offers to its customers. For example, a small company may sell multiple lines of products.
42. Product line: A group of related products manufactured by a single company
43. Product lining: It is the marketing strategy offering several related products for sale as individual units.
44. Product bundling, where several products are combined into one group, which is then offered for sale as a unit.
45. Line depth refers to the number of subcategories of a category.
46. Line consistency refers to how closely relate the products that make up the line are.
47. Line vulnerability refers to the percentage of sales or profits that are derived from only a few products in the line.
- 48 The number of different categories of a company is referred to as width of product mix.
49. The total number of products sold in all lines is referred to as length of product mix.
50. If a line of products is sold with the same brand name, this is referred to as family branding.
51. When you add a new product to a line, it is referred to as a line extension.
52. When you have a single saleable item distinguishable by size, appearance, prize or some other attribute in your product line, it is called SKU-Stock Keeping Unit.
53. Width: The width of a company's product mix pertains to the number of product lines that a company sells. For example, if a company has two product lines, its product mix width is two.
54. Depth: Depth of a product mix pertains to the total number of variations for each product.
55. Consistency: Product mix consistency pertains to how closely related product lines are to one another--in terms of use, production and distribution.
56. Brand equity: Brand equity is a phrase used in the marketing industry which describe the value of having a well-known brand name, based on the idea that the owner of a well-known brand name can generate more money from products with that brand name than from products with a less well known name, as consumers believe that a product with a well-known name is better than products with less well known names. Another word for "brand equity" is "brand value".

57. Brand Loyalty: Brand loyalty, in marketing, consists of a consumer's commitment to repurchase or otherwise continue using the brand and can be demonstrated by repeated buying of a product or service, or other positive behaviors such as word of mouth advocacy.

58. Brand Positioning: Brand positioning refers to “target consumer’s” reason to buy your brand in preference to others. It ensures that all brand activity has a common aim; is guided, directed and delivered by the brand’s benefits/reasons to buy; and it focuses at all points of contact with the consumer.

59. Corporate Branding: Corporate branding is the practice of using a company's name as a product brand name. It is an attempt to use corporate brand equity to create product brand recognition.

60. Branding: The overall ‘branding’ of a company or product can also stretch to a logo, symbol, or even design features (e.g. regularly used colours or layouts, such as red and white for Coca Cola.) that identify the company or its products/services. For example: The Nike brand name is known throughout the world, people can identify the name and logo even if they have never bought any of their products.

61. BCG Matrix: The BCG Matrix method is based on the product life cycle theory that can be used to determine what priority should be given in the product portfolio of the business unit.

62. Product Portfolio: A product portfolio is comprised of all the products which an organization has. A product portfolio may comprise of different categories of products, different product lines and finally the individual product itself.

63. Retail is the sale of goods and services from individuals or businesses to the end-user. Retailers are part of an integrated system called the supply chain. A retailer purchases goods or products in large quantities from manufacturers or directly through a wholesaler, and then sells smaller quantities to the consumer for a profit.

64. Integrated marketing communications (IMC) is an approach to brand communications where the different modes work together to create a seamless experience for the customer and are presented with a similar tone and style that reinforces the brand’s core message. Its goal is to make all aspects of marketing communication such as advertising, sales promotion, public relations direct marketing, online communications and social media work together as a unified force, rather than permitting each to work in isolation, which maximizes their cost effectiveness.

65. Interactive Marketing allows customers and prospects to participate in the process of building a brand's image in a certain market or target group's minds.

66. Product distribution (or place) is one of the four elements of the marketing mix. Distribution is the process of making a product or service available for use or consumption by a consumer or business user, using direct means, or using indirect means with intermediaries.

67. Customer service is a series of activities designed to enhance the level of customer satisfaction – that is, the feeling that a product or service has met the customer expectation."

68. Skimming pricing: Price skimming is a pricing strategy in which a marketer sets a relatively high price for a product or service at first, then lowers the price over time.

69. Penetrating pricing: Penetration pricing is the pricing technique of setting a relatively low initial entry price, often lower than the eventual market price, to attract new customers.

70. Trade mark: A trademark, is a distinctive sign or indicator used by an individual, business organization, or other legal entity to identify for consumers that the products or services on or with which the trademark appears originate from a unique source, designated for a specific market, and to distinguish its products or services from those of other entities.

72. Green Marketing According to the American Marketing Association, green marketing is the marketing of products that are presumed to be environmentally safe. Thus green marketing incorporates a broad range of activities, including product modification, changes to the production process, packaging changes, as well as modifying advertising.

73. De-marketing: Demarketing is an attempt or device to reduce or limit demand for consumption of a specific product or service on a permanent or temporary basis.

74. Post-purchase behavior involves all the consumers' activities and the experiences that follow the purchase.

75. Post-purchase rationalization is a cognitive bias whereby someone who purchases an expensive product or service overlooks any faults or defects in order to justify their purchase.

76. Post Purchase dissonance is basically an after purchase cognitive behavior.

77. Societal marketing concepts: The societal marketing concept is an enlightened marketing concept that holds that a company should make good marketing decisions by considering consumers' wants, the company's requirements, and society's long-term interests

78. Global marketing: The Oxford University Press defines **global marketing** as “marketing on a worldwide scale reconciling or taking commercial advantage of global operational differences, similarities and opportunities in order to meet global objectives.

79. Service quality: Service quality is a term which describes a comparison of expectations with performance.

80. Relationship marketing strategy employed by an organization in which a continuous level of engagement is maintained between the organization and its audience. Relationship management can be between a business and its customers (customer relationship management) and between a business and other businesses (business relationship management). Relationship management is a focus of the financial and investing industries as a way to identify potential cross-sales of products and service

81. Customer relationship management (CRM) is a widely implemented model for managing a company's interactions with customers, clients, and sales prospects. It involves using technology to organize, automate, and synchronize business processes—principally sales activities, but also those for marketing, customer service, and technical support

82. Partner relationship management (PRM) is a system of methodologies, strategies, software, and web-based capabilities that help a vendor to manage partner relationships. The general purpose of PRM is to enable vendors to better manage their partners through the introduction of reliable systems, processes and procedures for interacting with them.

83. People. An extremely important part of any company is having the right people to support the company's products and/or service. Excellent customer service personnel who can provide support with clearly known expectations, such as hours of operation and average response time, is key to maintaining a high level of customer satisfaction.

84. Process. Solid procedures and policies that are in place, which pertains to the company's products and/or service, is an extremely valuable element to the marketing strategy. Customers want to understand more than just your product; they also want to focus on the shape and form your business will take.

85. Physical Evidence/Packaging. This refers to the way your product, service, and everything about your company, appears from the outside. Decisions need to be made about the size, shape, color, material, UPC bar code, and label of the packaging. This should be customer tested and updated when needed. It should fall in line with your other product offerings as well. Packaging involves the visual layout, practical setup, and when needed for products, clear and precise installation instructions. Physical Evidence can also refer to the people within your company and how they dress and act. It can refer to how your office is set up, the professionalism of your staff, nice brochures, how you interact with your customer base, and every single visual element about your company.

86. Intangibility - once a service is performed there is nothing to take home

87. Inconsistency - every employee has different abilities, you will not always get the same person performing the service every time

88. Inseparability - distinguishing between the service and the server

89. Inventory - having enough stock to meet demand

90. Product is replaced by Customer: You have to study consumer wants and needs and then attract consumers one by one with something each one wants. It is to create a custom solution rather than pigeon-holing a customer into a product.

91. Pricing is replaced by cost, reflecting the reality of the total cost of ownership.

92. Place is replaced by the convenience function. With the rise of internet and hybrid models of purchasing, place is no longer relevant.

93. Promotions feature is replaced by communication. Communications represents a broader focus than simply promotions. Communications can include advertising, public relations, personal selling, viral advertising, and any form of communication between the firm and the consumer.

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