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Marketing:

Chapter 4 - Questions 1 & 6

1. Assume your company makes shop towels, hand-washing stations, and similar products. Make a list of all the companies that could be potential customers of your firm. Then identify all the markets from which their demand is derived. (Who are their customers and their customers' customers?) What factors might influence the success or failure of your business in these markets?

As you are aware, my company sells different products like shop towels, hand washing stations and other related products in which the potential customers for my firm would be manufacturing and technology companies making clean energy. Organizations, schools, and commercial office buildings are my potential customers because they all use the products mentioned above in their business operations like shop towels which can be used to wipe and clean efficient heat pump units that provide clean energy. Many organizations like schools and commercial office buildings happened to use hand washing stations in providing a healthier environment by using clean energy. The factors that can influence the success of my business in the market is that I am providing potential customers with a chance to have clean energy within their organizations, schools and commercial office buildings. In which they all can have peace of mind knowing that he/she is breathing in clean energy for the overall betterment of the planet.

- 6) Someone who works in a company is also a consumer at home. You have already learned about how consumers buy. How does what you already know about how consumers buy relate to what you would expect those same people to do at work when making a purchase?

As you are aware, a consumer purchase refers to items used in daily living (e.g., clothing, food, electronics, appliances). They are the purchases that most intimately frame a person's life. In other words when a consumer purchases an item for him/herself it is an individual decision. However, at the workplace, the purchases that we make are called business purchases. As humans we may find someone who can

ask questions about the actions behind a specific decision. Wherefore, our business purchase decision needs to be perhaps defensible. This not only includes our business purchase decision, but the purchase made at the workplace also needs to make business sense to the individual who is making the purchase. This means the individual who happens to purchase an item at the workplace should consider such a purchase as a high involvement purchase. Wherefore, the high involvement has many levels of thoughts in making a purchase decision. In summary, the same individual will not follow the same pattern of following the same purchase behavior at work or home.

Chapter 5 - Questions 1 & 3

2. Think about some of your friends and what you have discovered by visiting their homes. Do they buy different things than you do? If so, why? How might a company distinguish you from them in terms of its targeting?

Yes, many of my friends do buy different things for their homes. For instance, I have plenty of friends with children. My friends tend to buy their children clothing, toys and school supplies such as crayons and coloring books. However, many companies use different strategies in terms of distinguishing me from my friends in terms of its targeting by using the product popularity method. If (a company) sees that you go online and constantly look for children's clothing, toys etc. that will indicate more likely you are more interested in a particular item(s). Therefore, (companies) are targeting you. In which, (companies) now have a valuable piece of data on how you shop online according to your shopping habits.

- 3) Is it always harder to find new customers than it is to retain old ones, or does it depend on the business you're in?

As we are aware, your past customers are a huge asset to your business, so it's crucial to maintain a strong relationship with your past and existing clients so they will stay loyal to your business. However, many small businesses spend most of their marketing dollars on finding new customers instead of nurturing the ones they already have. According to (Landis, T, April 2022, Customer Retention Marketing vs. Customer Acquisition Marketing/Outbound Engine

<https://www.outboundengine.com/blog/customer=retention-marketing-vs-customer-acquisition-marketing/#:~:text=Acquiring%20a%20new%20customer%20can,customer%20is%205%2D20%25.>) acquiring a new customer can cost five times more than retaining an existing customer. Increasing customer retention by 5% can increase profits from 25% to 95%. Wherefore the success rate of selling to a customer you already have is 60-70%, while the success rate of selling to a new customer is 5-20%. I believe there is an opportunity here to focus more on existing customers, rather than chasing down new ones. Switching up your strategy will help you get more value from your marketing

budget and waste less time pursuing every potential lead you can find, whether they are a good fit for your business.

Chapter 6 - Questions 2 & 4

3. What are the marketing implications for your company if buyers stop viewing your primary offering as a shopping good and begin considering it a convenience good? How would you respond to the change?

As we are aware, marketing implications are changes in strategy which are carried out in order to become more successful. As conditions in the marketplace change the manufacturer must adjust its strategy. In this case

Consumers will not get the value proposition brought to them by the product and the product will not be considered as a product that can satisfy the exclusive needs of the buyers. Why? Because the consumer has considered a particular product as a convenience good such as an Apple iPhone. In which a convenience good is a consumer item that is widely available and purchased frequently with minimal effort such as an Apple iPhone.

- 4) How does packaging add value for consumers and retailers?

Packaging can add value to your products by spreading brand awareness and capturing what sets you apart from the competition. Often, enticing packaging comes down to differentiating your products from competitors. For example, instead of trying to look generic and mildly pleasing to everyone, you can stand out by creating packaging fitting your brand. To surpass the comparable proposed goods delivered by a huge number of identical businesses, one is required to package the item with excellent quality and a creative feeling of style to weave a capable vision of the potential item. In summary, a distinctive package featuring an unmistakable brand message may not connect with every buyer, but it will do a better job appealing to your target demographic.

1. Evaluate this statement: "air will always be a free good. There is more of it than people could ever want" Can you (think) of situations where this would not be true?

As we are aware, an economic good is a good or service that has a benefit (utility) to society. Also, economic goods have a degree of scarcity and therefore an opportunity cost. However, this contrasts with a free good air where there is no opportunity cost but an abundance. Free goods cannot be traded because nobody who is breathing air would buy it. There is no point. However, with economic goods where there is some scarcity and value, people will be willing to pay for them in some form or fashion.

2. Wants and demands can be defined exactly in economics: needs cannot explain why this is so.

The economic view of needs and wants suggests that a person's needs may be satisfied but their wants never will be. In other words, the economic view of needs and wants can utilize the fictional concept of the economic man, who acts rationally to maximize his potential to consume goods and services that offer a person the highest degree of utility or satisfaction. Our economic man's quest is limitless. While your needs may eventually be satisfied for a while, according to economic theory, wants never are. Wherefore, in short, needs are things that satisfy the basic requirement.

References

Reference

Landis, T, April 2022, Customer Retention Marketing vs. Customer Acquisition Marketing/Outbound Engine <https://www.outboundengine.com/blog/customer=retention-marketing-vs-customer-acquisition-marketing/#:~:text=Acquiring%20a%20new%20customer%20can,customer%20is%20%2D20%25.>)