

Alliance University
Master of Business Administration

Submitted to: *Nicholas Bowersox*

Submitted by: *Kristie Vaval*
25 Tennis court, Apt. 3a
Brooklyn, New York, 11226
Work Phone: *646-378-6138*
Home/Cell Phone: *516-708-3811*
Email: [*kristieval@gmail.com*](mailto:kristieval@gmail.com)

Course Location: *Manhattan Campus*

Submission Date: *03/26/2023*

Concept Proposal Title:

MARKETING- WEEK 2 HOMEWORK

CERTIFICATE OF AUTHORSHIP:

I certify that I am the author of this paper and that any assistance I receive in its preparation is fully acknowledged and disclosed in this paper. I have also cited any sources from which I used data, ideas, or works, either quoted directly or paraphrased. I also certify that this paper was prepared by me specifically for this course/program.

Student's E-Signature:

X

Professor Comments:

WEEK 2

1. Describe the difference between a market and an industry.

In a market, people or organizations are interested in or are willing to buy a good or service to obtain benefits. The people that are part of a market usually have the resources to engage in the transactions that occur in the market. An industry, on the other hand, is a group of firms that offer a product or class of products that are similar and are close substitutes for one another. In conclusion, a market is composed of buyers and an industry is composed of sellers.

2. What are the six major categories of the macroenvironment? Provide some examples for some of these.

The six major categories of the macroenvironment are as follows:

- 1- Demographic environment (aging, aids, growing middle class, increased immigration).
- 2- Sociocultural environment (corporate social responsibility, fitness and nutrition).
- 3- Economic environment (income fluctuations, governments' fiscal policy).
- 4- Regulatory environment (regulation/ deregulation to influence market attractiveness, overregulation).
- 5- Technological environment (change in business operations, influence on how goods, services and ideas are exchanged, influence on how crops are grown, influence on how individuals learn, earn and interact with one another, mass customization).
- 6- Natural arenas (carbon footprint labels, green products).

3. There are five major forces that determine industry attractiveness (Porter's Five Competitive Forces). Briefly define each one.

1- Threat of new entrants

New entrants make competition more intense because they add capacity to the industry and bring with them the need to gain market share. Entry is more difficult when strong economies of scale and learning effects are present, when the industry has strong capital requirements at the outset, when strong product differentiation exists among current players and when gaining distribution is particularly difficult.

2- Rivalry among existing competitors

Rivalry is usually greater when there is high investment intensity, little product differentiation, the existence of many small firms in an industry or the existence of no dominant firms and when it is easy for customers to switch from one seller's products to those of others.

3- Bargaining power of suppliers

When there is a limited number of suppliers serving an industry, its impact can be significant. For the power of suppliers to increase, the cost of switching suppliers should be high, the prices of substitutes should be high, the suppliers should realistically threaten forward integration, and the supplier's product should be a large part of the buyer's value added.

4- Bargaining power of buyers

To obtain concessions, buyers play individual suppliers against one another. For buyers to succeed in their bargaining efforts there should be buyer profitability, the product's importance should be greater to the performance of the buyer's product. The bargaining power of buyers also depends on the extent of buyer concentration, on the switching costs that reduce the buyer's bargaining power and the threat of backward integration.

5- Threat of substitute products

A substitute product is an alternative product type produced by other industries that perform the same functions. When supply exceeds demand, a substitute product puts a ceiling on the profitability of that industry by limiting the price that can be charged.

4. Briefly define the following forecasting methods: statistical methods, surveys/focus groups, and market tests. Provide a brief example/scenario where one of these three would be effective.

Statistical methods: forecast the future based on the use of past history and various statistical techniques, such as multiple regression or time series analysis.

Ex. To forecast weather, using applied statistics, organizations can capture real data sets to extrapolate useful information for decision-making. Analyzing historical trends is often a trusted method for predicting future patterns. Tracking weather patterns over time equips statisticians to predict the future.

Surveys/focus groups: are usually done online and with various kinds of respondents. After being shown a concept test, consumers are asked how likely they are to buy, creating a survey's intention. They can also be asked about their current buying behavior.

Market tests: are used largely for new consumer products and may be done under controlled experimental conditions in research laboratories or in live test markets with real advertising and promotion and distribution in stores.

5. The text describes several 'cautions and caveats' in forecasting. Explain any two of these.

1- Psychological biases in forecasting

Effective forecasting can be undermined by excessive optimism on the forecaster's part, especially in new product or new venture settings. According to Dan Lovallo and Daniel Kahneman, the tendency to make decisions based on delusional optimism rather on a rational weighing of possible gains and losses and the probability thereof is called planning fallacy.

2- Common sources of error in forecasting

The common errors that can be encountered in forecasting are as follows:

- Forecasters subject to anchoring bias
- Capacity constraints misinterpreted as forecast
- Incentive pay
- Implicit assumption

6. Define customer relationship management, or CRM.

Internal records, marketing databases, competitive intelligence systems and systems to organize client contact are at the heart of the systematic practice of customer relationship management. The goal is to have happier, higher- volume, more loyal customers.

7. Briefly describe the three important steps in the market segmentation process. How can we segment markets?

1- Identify a homogeneous segment that differs from other segments.

With regards to their wants and needs and their likely responses to different elements in the marketing mix (4Ps), the process should identify one or more homogenous groups of prospective buyers.

2- Specify criteria that define the segment.

This segmentation criteria should measure or describe the segments clearly for the marketer to know whether a given prospective customer is or is not in the target market and in order to reach the prospective customer with advertising or other marketing messages.

3- Determine segment size and potential.

The segmentation process should determine the size and market potential for each segment.

To segment markets, it is important to know who the customers are, the location of where they are, and how they behave relevant to the market in question.

8. What is the five-step process for choosing attractive market segments?

1- Choose criteria to measure market attractiveness and competitive position.

2- Weight market attractiveness and competitive position factors to reflect their relative importance.

3- Assess the current position of each potential target market on each factor.

4- Project the future position of each market based on expected environmental, customer, and competitive trends.

5- Evaluate implications of possible future changes for business strategies and resources requirements.

9. Compare and contrast a niche-market strategy vs a mass-market strategy vs a growth-market strategy.

Niche marketing is more effective at reaching new audiences with new products because it focuses on an audience with easily identifiable preferences, wants and needs.

Mass marketing, on the other hand, is a strategy to market towards a large number of demographics. A growth-market strategy

A growth-market strategy usually requires strong R&D and marketing capabilities to consistently identify and develop products appealing to newly emerging user segments, plus the resources to finance rapid growth.

10. Define brand positioning.

Brand positioning entails designing product offerings and marketing programs that can establish an enduring competitive advantage in the target market by creating a unique brand image, or position, in the customer's mind. It refers to both the place a brand occupies in customers' minds relative to their needs and competing brands and to the

marketer's decision making intended to create such a position. Thus, positioning comprises both competitive and customer considerations.

11. Compare / contrast physical and perceptual positioning analyses. Exhibit 7.2 might assist.

Physical Positioning

- Technical orientation
- Physical characteristics
- Objective measures
- Data readily available
- Physical brand properties
- Large number of dimensions
- Represents impact of product specs
- Direct R&D implications

Perceptual Positioning

- Consumer orientation
- Perceptual attributes
- Perceptual measures
- Need for marketing research
- Perceptual brand positions and positioning intensities
- Limited number of dimensions
- Represents impact of product specs and communication
- R&D implications need to be interpreted

12. List the seven steps in the brand positioning process.

- 1- Identify relevant set of competitive products serving a target market.
- 2- Identify the set of determinant attributes that define the "product space" in which positions of current offerings are located.
- 3- Collect information from a sample of customers and potential customers about perceptions of each product on the determinant attributes.
- 4- Determine brand's current location (positioning) in the product space and intensity thereof.
- 5- Determine customers' most preferred combination of determinant attributes.
- 6- Examine the fit between preferences of market segments and current position of brands. (Identify positions where additional new brands might be placed).
- 7- Write positioning statement or value proposition to guide development and implementation of marketing strategy.

13. What is the outcome of effective positioning?

Effective positioning seeks to accomplish physical and perceptual differences. Not only that, but it also seeks to create value by establishing customer preference for one's brand, which is "brand equity."