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**Open Book Examination Marketing**

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1. **Discuss FOUR (4) Ps of typical marketing mix with reference to hospitality industry in Kathmandu Valley. Provide suitable example acknowledging current Covid-19 crisis hospitality industry is going through and also explain how hospitality industry can revive itself by formulating effective marketing mix after the pandemic.**

**Answer:**

Hospitality industry has emerged as one of the key drivers of growth among the services sector in Nepal. The hospitality industry includes many sectors like Hotels, Hostels, Motels, Amusement park, Heritage Qilas, Restaurants, Bars, Cafés, Nightclubs etc. The hotel industry, being a direct beneficiary of the growth in the economy and the tourism industry, has also recorded strong growth over the past few years. Nepal is ranked 102nd in the world rankings as per foreign tourism arrivals in the country. Government and Ministry of Tourism have contributed significantly to the development and growth of the industry by providing various tax holidays, policy measures and other supportive measures. Keeping all these things in the mind this specific study aims to get insight of marketing factors associated with hospitality industry which can be further improve to increase customer satisfaction and their loyalty. FOUR (4) Ps of typical marketing mix with reference to hospitality industry in Kathmandu Valley

**#1 Product**

Product refers to the physical goods or the intangible services that you offer, but there’s more to it than that. It’s also about the experience that users and customers have with your product. **What makes customers choose your product over others? What problem does it solve? What attracts people to your products or services?**

They may be attracted to the product packaging, features, ease-of-use, name, quality, design or support. The transaction may be for the physical product. But, the purchase is influenced by the entire buying experience.

All of the four elements are centered around the customer. It is important to know who your audience is and what they care about. Create buyer personas. Conduct customer research. Learn as much about your current or potential customer base as you can. This will help you make decisions that are more likely to resonate and appeal to your target audiences.

**#2 Price**

It is critical to choose the right price for your product or service. If your product is underpriced, consumers may question its effectiveness or think that it’s “too good to be true”. On the other hand, if you price your product too high, consumers may see it as overpriced and unnecessary. Unless you are an established luxury brand like Coach or Chanel, you’ll find it hard to make a sell.

There are a number of pricing strategies that businesses employ. **Some models are: bundle, subscription, competitive, economy, discount, and psychological pricing.**

*At grocery stores, generic food brands are priced lower than name-brands. This is an example of economy pricing. In department stores, prices with odd decimals like “999” or “499” are psychological pricing. People tend to perceive it as less expensive than an even “1000” or “500”. It’s also a common practice in auto sales.*

**#3 Promotion**

How are you going to tell people about your products and services? Promotion covers all of the communication tactics that you will use to spread the word.

Note that promotion isn’t synonymous with marketing. Promotion focuses on how you will communicate your product to people. It doesn’t only encompass the entire marketing function. It also addresses the sales process and other areas such as public relations and advertising.

Also, the purpose of promotion isn’t to simply sell your products and services. (Yes, that would be an ideal result.) Before you can jump to the transaction part, you need to let people know what your products and services are, what they offer customers, and why they are worth buying. Promotion lets people know that your product solves a specific need. In the promotion stage, your message should be clear and geared towards your target audiences. Tell them why they need your product and how it will benefit them. **What makes your business different from the competitors? Is it a lower-price? Higher quality? Faster service? More flexibility?**

Identify what sets you apart from everyone else. It is key to include those differentiators into your promotional messages. When selecting which channels to use for promotion, remember that your audience is the focus. **What types of content do they consume on a daily basis? Where are they located? What times are they most actively consuming content?** Some channels that you may use for promotion are: *word-of-mouth, podcasts, radio, social media, email, press releases, public relations, print, television ads, and pay-per-click (PPC) ads.*

**#4 Place**

Place refers to the distribution of your product. **How will customers find and purchase what you’re trying to sell? Will it be sold in retail stores or exclusively online?** Two of the most common distribution channels are: direct sales and wholesalers.

If you run a local retail business, you will likely use direct sales at your location. You may also offer certain items through an online store. Whether in-store or online, you are the primary contact managing and shaping the customer experience. Another option for businesses is to sell through an intermediary wholesaler or reseller. If you sell through Walmart or Amazon, you would fit into this category. The advantage of working with a wholesaler is that they tend to have a wider distribution network and larger customer-base. Although it makes it possible to reach more customers, you lose some of that customer connection that is associated with direct sales. It can also be extremely difficult and lengthy process to land a deal with big name wholesalers like Walmart. If your business doesn’t have a year-round consistent supply of products, it is not an ideal fit for intermediary sales. If your sales are more seasonal or available for a limited-time only, then direct sales are a more suitable option.

The COVID-19 pandemic represents the ultimate test for numerous leaders, entrepreneurs, and employees operating in most if not all industries. Among other impacts, the contagion has severely affected the world economy, including the travel, tourism and hospitality industries. Moreover, the unprecedented nature of COVID-19 has had crippling effects, with numerous restrictions on businesses, resulting in far reaching impacts on hotels, restaurants, bars, and other hospitality businesses, with overall serious and seemingly unsurmountable challenges for the hospitality industry.

The following are suggestions that need to be taken to come back to normal. hospitality industry can revive itself by formulating effective marketing mix after the pandemic.

* The number one consideration post Covid-19 will be on **health and safety** which translates into hygiene and sanitation issues of the hotel. The key is to provide physical evidence of the hotel’s concern for health and safety. This time, the checks and screening will have to be erected for health purposes. The security will check for fever with a remote thermometer, shower a light sanitizer mist, keep hand sanitizers at the reception, elevator lobbies and guest rooms. Ensure the circulation of fresh air in guest rooms and display indoor air quality. The guest room will have a sign mentioning “This room has been sanitized for your health and safety”.
* Hotels must plan now to do a soft-opening with one floor or two with only essential facilities and staff. The essential services will include housekeeping, a section of the kitchen, the coffee shop/dining room, a bar, engineering, front desk and security. This will ensure fewer people about.
* The staff positioned should be experienced, multi-skilled and loyal employees. It will be a while when other regular staff will be required.
* All staff should continue to wear surgical gloves and masks to give confidence to the guests.
* Self-service as far as possible should be encouraged to reduce human contact.
* Since 95% accommodation lies in the low-priced sector like Bed & Breakfast, budget hotels and guest houses, the country can ride on Nepal’s large domestic tourism to kick start the industry. Inbound traffic on the other hand is bound to be slow because of fear of travel and recessionary conditions restricting disposable income. Corporate travel will perhaps revive the chain hotels though the lock down has shown that corporate travel can be limited with technology aided communication. They may encourage domestic corporate travel.
* From the marketing standpoint, it is vital to keep communicating with loyal guests, especially the domestic market, through digital marketing and social media during the lockdown and after. The hotels can showcase their contributions to the coronavirus cause.

* Self-check-in with codes given on the guest’s mobile to open assigned guest rooms.
* Guest mobile apps should be able to connect to all buttons and switches in the room to avoid using fingers for touch. It would include controlling the room temperature, switching on lights, controlling the temperature of the shower, remote for the television etc.
* Virtual views on the TV of restaurants, lobby, and bars to see the atmosphere to avoid crowds
* Have gourmet food dispensers on floor pantries. People are going to use in-room dining more.
* Digital payments of bills and food and beverage at kiosks which will give out receipts much like the ATMs.
* Liquor options in the guest room mini-bar which will automatically bill the guest folio when bottles are withdrawn from the bar.
* Self-service room amenities from dispensers in the floor Housekeeping store.
* Self-monitoring gadgets for fever.
* Revenue Management Software to do the predictions of room occupancy and rates.
* Big Data analytics to constantly determine the behavior and attitude of guests to give them customized services.
* Robots for cleaning carpeted and other surfaces and automated dish washing.

1. **Consider that you are Marketing Officer for XYZ Auto Enterprise, how would you develop demographic segmentation of consumer market for your two-wheeler costumers in Kathmandu Valley. With contextual examples, explain differences that need to be acknowledged among the customers.**

Answer:

Demographic segmentation divides the market into smaller categories based on demographic factors, such as age, gender, and income. Instead of reaching an entire market, a brand uses this method to focus resources into a defined group within that market.

## **Demographic segmentation factors (and examples)**

Some demographic information is more important than others. For example, if you’re selling premium online courses for photography, the gender of your audience isn’t as important as their age or income. They have to be able to afford your courses and age can give you an idea of their willingness to learn a new skill. We’re going to look deeper at the type of demographic segmentation information to collect and prioritize.

### **Gender**

Males and females tend to have different preferences. Without stereotyping anyone, men are more interested in financial trading and cryptocurrencies. The owner of LCMS, Jin, uses a lot of imagery and testimonials on his homepage. You can see that most of the people present are males. Females are greatly underrepresented. hey almost exclusively use female models to show case their products and the looks you can achieve. Some companies choose to only serve one gender or the other. Dollar shave club created a movement (and sold to Unilever for a billion dollars) by creating a product exclusively for one gender – men. ONLY, on the other hand, is for women. All their marketing, imagery, and products are for that gender. When doing gender segmentation, you don’t have to exclude a gender. The best results are achieved when you know which genders prefer specific products. That way, you can use your budget to market to them and leave off the other one.

### **Age**

Age is also another common factor used to segment customers. It’s often paired with gender segmentation to create a more robust profile. There are commonly accepted age groups for marketing and advertising purposes:

* 12-17
* 18-24
* 25-34
* 35-44
* 45-54
* 55-64
* 65+

Age plays an important role in where and how you market your products. Toys are obviously for a younger demographic group but certain video games appeal to a mature audience as well.

Juul, the electric cigarette that took the world by storm, and is under investigation for its advertising practices, targets a younger demographic. he campaigns are reminiscent of the ads the traditional cigarette industry used to target younger smokers.

In a broader sense, different age groups have different values, norms, and ways they interpret messages. Younger groups are more impressionable. Messages targeted at them are flashy and abstract because their future is still up for grabs.

Older millennials and the 30+ crowd are more secure in the knowledge of what they want and need. Advertisements aimed at this group are more concrete because they’re experiencing the reality of the world in full force.

The older generations have traditionally been ignored because it’s thought that they’re set in their ways. An advertisement isn’t going to change their mind. Instead of attempting to sway their opinions, target this demographic segment in a way that informs them about things they already want or need. Don’t tell them they need a new car. Tell them about the options available to them.

Age is also helpful when deciding which social platform you want to use. Every social media platform has an age group that uses it more than others.

For a younger demographic (12 – 24) Snapchat and Instagram are your best channels. The largest group of Twitter users are between 25 – 34.

Basic demographic information about their users is freely available. Do a bit of research to inform which channel you should spend the most time on.

### **Income**

Income demographic segmentation is when people are segmented by their monthly or yearly income. You can segment based on personal income or household income. This is most effective when you have a specific product for a specific niche at a higher price point. Use income segmentation when you have both expensive and inexpensive products. When you segment the groups that can afford the products away from the ones that can’t, you get clearer feedback. You’re able to build a profile of your ideal customers and improve the products based on what they care about. If you don’t segment like this, you may get feedback from people who would never buy. Based on that, your product development can be derailed. A good example of this type of segmentation is Mercedes. They have cars that start at forty thousand dollars and ones that start at half a million dollars.

### **Education and occupation**

People achieve different levels of formal education. With each tier of education, there are certain experiences they may have had. We can all point to common grade school experiences. If you’ve gone to college, you can point to common experiences there as well. On the other side, your occupation can play a big role in how you purchase products and services. Doctors and nurses may make different food choices when compared to truckers and construction workers. Executives in large organizations would make different clothing choices when compared to designers in a marketing agency. Together, our education and occupation influence our buying decisions. When segmenting based on education/occupation, it’s important to understand two things:

* Are the majority of your customers likely to be in a specific education or occupational segment?
* Does it even matter?

Some products have education requirements before you’ll receive the benefits. You wouldn’t enroll in an MBA course before you did your bachelors.

### **Family makeup (and lifecycle)**

The last type of demographic segmentation we’ll touch on is family makeup. The needs of families are different when compared to the needs of individuals. You wouldn’t target a family cruise at individuals and you wouldn’t target a night club or dating service towards couples.

Let’s say you offer continued education and skills acquisition for older customers (40+). It wouldn’t be a stretch to position your offer as one that’ll help them achieve a lifestyle that they always dreamed about for their family. They’re not doing it for themselves alone but for their entire family. Major events in a person’s life cycle are also when they’re more receptive to specific messages. Before a wedding couples are more receptive to bridal advertisements. After a wedding, they’re more receptive to messages about home furnishings. Before and after their first child they’re more receptive to message about childcare.

Products that benefit from family segmentation:

* Amusement parks
* Movies
* Food (healthy food for children)
* Vacation packages
* Investment/tax advice
* Anything involving kids

Acknowledgement is about more than singling out someone and showing them with praise or gifts. There are also implicit support behaviors, and these should be worked into your daily sales calls and routines for all interaction.

**1. Be empathetic and compassionate**e

Truly care about your customer (no matter how good an actor you are, faking it won’t work). Ask questions, take notes and lean in to show that you’re engaged in their answers. When you take an interest in people, they remember you—and when people remember you, it’s good for business.

**2. Observe their eyes, handshake, body language and tone of voice**

Try to capture the physical impression your prospect makes, then try to match the spirit of it. Mimicking will not work. Rising to your customers emotional level will.

**3. Make eye contact**

This is especially important when you walk into a room full of people. Eye contact is also essential after we get to know people, because it cements our existing relationships and lets them know that we’re still interested in their well-being. Very few salespeople ever look their prospects directly in the eye. By simply smiling and making eye contact, you’ll be surprised how much you will set yourself apart.

**4. Be a life giver—give first**

Share your network of contacts with your customers and don’t expect them to give you their business without you giving them something first. Look to give away things that increase your value. Perhaps they need a referral to a partner of yours, or help finding a new dentist. Or maybe they have a business problem that can be fixed with a new idea you read about or heard from someone else you’ve met.

**5. Express your true intent**

Tell customers upfront: "I don’t know if there’s a fit between what you need and what I have right now, and I’m hoping we can explore that in more detail during this meeting." Or try this: "I only have your best interests at heart, and I promise to be honest with you throughout our conversation. In the end, I hope that we can mutually decide if there is a reason to move forward. If not, that’s fine too, and I hope you’ll feel comfortable telling me so." The thought of speaking to someone like that might make you uncomfortable. It runs counter to the business habits we see being practiced every day. That’s one of the reasons why only 10 percent of salespeople in any organization are top performers. They do things that most others don’t. Try expressing your true intent. Say it to yourself a few times. You’ll be amazed at the response you get.

**6. Don’t go for the big decision all at once**

In our personal lives, we don’t propose to someone before we’ve been on a first date. The same is true in our business relationships. Obtain approval from your customer to move ahead in increasing increments. All too often, salespeople jump way ahead of their prospect’s buying curve. This puts the buyer and the seller out of sync. When the salesperson is trying to close while the prospect is still evaluating options or determining risk, trust is broken and the prospect feels pushed. The sale comes dangerously close to disappearing.

**7. Use friendly, warm words instead of formal business speak**

When you use simple language, people respond better and trust you more. So limit your words to three syllables. Don’t try to impress prospects with your extensive vocabulary—you run the risk that you end up just sounding inauthentic.

**8. Use people’s names…with care**

When it comes to using names, there are just two rules to follow. Be aware of whether they’re more comfortable being addressed on a first-name basis, and never overuse their name—doing so only sounds corny and false. Dale Carnegie once said, "Nothing is as beautiful to a person as the sound of their own name." Just use your discretion.

Practice acknowledgement everyday by finding one person each day that you can recognize for something great. It can be as simple as a compliment on a new haircut or as significant as a celebration for bringing in a large new account. Either way, your relationship with the recipient will be strengthened. Your success is directly determined by your willingness and ability to acknowledge and support your customer base and network. In good times or bad, the type of salesperson you choose to be is entirely up to you. Chose to be kind—honest, open and supportive of your customers. You’ll see consistent sales growth; you’ll build an excellent reputation and become a leader in your field—regardless of your market or the state of the economy.

1. Read the case situation given below and answer the questions that follow:

Procter &Gamble is spending $50 million this fall to launch cosmetic-style toothpaste called Crest Rejuvenating Effects. Targeting women aged 30 to 44; it will be the first attempt to position toothpaste for a relatively narrow adult market. The effort is headed by three women executives who refer to themselves as “chicks in charge.” The new sub-brand provides multi benefit whitening, a glimmering “pearlescent” box, and sparkly, teal toned toothpaste with vanilla and cinnamon notes. It also leaves a slight tingling sensation that Crest hopes will serve as a “sensory signal” of gum health and fresh breath. However, it will not provide any functional benefits that are not available in other toothpastes. It will be priced similarly to other multifunctional toothpastes. One of the “chicks in charge” stated, “This is one of the few categories in (personal care) where there are no products specifically marketed to women. I think times are changing and women want products specifically for themselves”. The introductory campaign will feature actress/singer Vanessa Williams. The general market campaign will differ from the one targeting African American consumers. The general market ads will position Rejuvenating effects as a natural extension of the many other things women do for the beauty care. Thus it will be a part of beauty routine, not just a dental hygiene activity. However, P&G’s research indicates that, compared to white women, black women don’t age as noticeably, don’t have as involved beauty care routines, and more likely to see aging as desirable and conferring respects. Ads specifically targeting this audience will show scenes from various times in Ms William’s life, noting that she hasn’t aged much and praising a toothpaste “that cares for her mouth and allows it to look as good as her face.”

1. **Why do you think the age range of 30 to 44 was selected as the primary target market?**

Answer:

The age between 30 – 44 is an effective target market for Crest Rejuvenating Effects. P&G selects the women who are in the age between 30 – 44 as their primary target consumer. And their product category is toothpaste which is named by Crest Rejuvenating Effects. This product has a unique set of features which dictates beauty care with healthy, whitening and strong teeth for the women.

There is no product like P&G’s Crest Rejuvenating Effects which is exclusively marketed for women. And their pricing strategy not differs from the other competitor in the market. By considering all the facts that entailed with their product if they set an effective promotion and marketing, the phenomenal success will be come. Crest Rejuvenating Effects is an innovation. It is a dynamically continuous innovation.

Crest Rejuvenating Effects adopts a distinctive change which creates a moderate importance to the women (30-44 yrs aged). Crest Rejuvenating Effects take care of their mouth and it allows looking as beauty that is unlikely to the other toothpastes in the market. Beauty care toothpaste is relevant to success of Rejuvenating Effects. Because this product produce for global market. In world most of women are more care about her face. For this reason theory are effected in global market.

Teenager and younger are usually beauty. But after getting married women are less beauty than before. And this group of women tends to be a beauty like before. They spend a huge amount of money and time for their beauty care. Crest Rejuvenating Effects has multifunctional effects for both their teeth and face. Crest Rejuvenating Effects offer for their general market, the toothpaste which not only serves dental hygienic but also will be a part of the beauty routine for women who are very beauty conscious while their age between 30 – 44.

The women of middle class and lower – upper class are most likely to purchase the Crest Rejuvenating Effects toothpaste. The middle class is concerned about respectability and care what the neighbors think. In this stage women think, when they look beauty they will be respected and praised in the society.

1. **What values are relevant to the success or failure of rejuvenating effects and Will Rejuvenating effect succeed in the Market? Elaborate.**

**ANSWER;**

Toothpaste is the last major unisex product left in the bathroom, remaining stubbornly androgynous even as packaged-goods companies have spent small fortunes creating distinctions between men's and women's grooming aids. ow, Procter & Gamble Co. is launch a serious effort to make a gender-specific toothpaste with Crest "Rejuvenating Effects" for women. It will take all the marketing sophistication the consumer-products giant can muster: After all, among the many real differences that exist between men and women, teeth aren't among them.

P&G's thinks its approach should be subtle: No pink, or "for women" here. Such an explicitly feminine pitch could make the product seem frivolous and undermine its reputation for effectiveness, P&G says. Instead, a shimmery box and a hint of vanilla and cinnamon flavoring are the product's "feminine" touches. And the "rejuvenating" notion also is intended to resonate with women concerned about aging.

A toothpaste that acts like a beauty product seems to fit P&G Chief Executive A.G. P&G's beauty business and has identified that area, plus health care, as two main areas of growth for P&G.

P&G thinks its new product will help trigger that urgent "rush to brush" feeling in women. In focus groups for P&G's Olay Total Effects antiwrinkle cream, some women remarked that they would like a toothpaste that brought similar benefits to their mouths. Teeth, of course, don't wrinkle or sag. But P&G nonetheless thought it could make women think about toothpaste in the same way they do about skin lotion and shampoo.

The company gathered women around a circle of sinks in a Cincinnati research facility. Researchers brought out trays of 50 to 100 toothbrushes, each one holding a different flavor of toothpaste, ranging from mint to vanilla. "We asked them to tell us which toothpaste seemed like it was made for them," says Diane Dietz, marketing manager for oral care at P&G. Women responded most strongly to cinnamon and vanilla flavorings. They also liked a little sparkle in the paste. Some women complained that the tubes of Crest weren't attractive and clashed with their towels at home. The Crest team compiled all these findings and came up with Rejuvenating Effects.

If Rejuvenating Effects captures female brushers, P&G thinks households could start buying several tubes of toothpaste: one for mom, one for dad and one for the kids. (The industry successfully carved out kid's toothpaste flavors several years ago.) Women make about 82% of grocery purchases, according to Brain Reserve, a marketing and consulting company. Successfully snaring women might even offer a shot at capturing the whole household of brushers for a more-expensive product.

**Therefore, Beauty care toothpaste is relevant to success of Rejuvenating Effects. Because this product produce for global market. In world most of women are more care about her face. For this reason, theory are effected in global market.**