

Programme Name: \_\_\_\_\_\_\_\_**BCS HONS**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Course Code: \_\_**MKTG 1010** \_\_\_\_\_\_\_

Course Name: \_\_\_\_\_\_\_\_**Basic Marketing**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Internal Examination Marketing**

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1. **Consumer buying behavior is influenced by culture and reference group with suitable example. Explain what this means and with examples, consider how core cultural values and influence of reference group will affect buyer behavior.**

**Answer**

Consumer behavior refers to the selection, purchase and consumption of goods and services for the satisfaction of their wants. There are different processes involved in the consumer behavior. Initially the consumer tries to find what commodities he would like to consume, then he selects only those commodities that promise greater utility. After selecting the commodities, the consumer makes an estimate of the available money which he can spend. Lastly, the consumer analyzes the prevailing prices of commodities and takes the decision about the commodities he should consume. Meanwhile, there are various other factors influencing the purchases of consumer such as social, cultural, personal and psychological. The explanation of these factors is given below.

* **Cultural Factors**

Culture refers to the set of values, ideas, and attitudes that are accepted by a homogenous group of people and transmitted to the next generation. Culture also determines what is acceptable with product advertising. Culture determines what people wear, eat, reside and travel. Cultural values in the US are good health, education, individualism and freedom. In American culture time scarcity is a growing problem. IE change in meals. Big impact on international marketing. Consumer behavior is deeply influenced by cultural factors such as: buyer culture, subculture, and social class.

* Culture

Basically, culture is the part of every society and is the important cause of person wants and behavior. The influence of culture on buying behavior varies from country to country therefore marketers have to be very careful in analyzing the culture of different groups, regions or even countries.

* Subculture

Each culture contains different subcultures such as religions, nationalities, geographic regions, racial groups etc. Marketers can use these groups by segmenting the market into various small portions. For example, marketers can design products according to the needs of a particular geographic group.

* Social Class

Every society possesses some form of social class which is important to the marketers because the buying behavior of people in a given social class is similar. In this way marketing activities could be tailored according to different social classes. Here we should note that social class is not only determined by income but there are various other factors as well such as: wealth, education, occupation etc.

* **Social Factors**

Social factors also impact the buying behavior of consumers. The important social factors are: reference groups, family, role and status.

* Reference Groups

Reference groups have potential in forming a person attitude or behavior. The impact of reference groups varies across products and brands. For example, if the product is visible such as dress, shoes, car etc. then the influence of reference groups will be high. Reference groups also include opinion leader (a person who influences other because of his special skill, knowledge or other characteristics).

* Family

Buyer behavior is strongly influenced by the member of a family. Therefore, marketers are trying to find the roles and influence of the husband, wife and children. If the buying decision of a particular product is influenced by wife, then the marketers will try to target the women in their advertisement. Here we should note that buying roles change with change in consumer lifestyles.

* Roles and Status

Each person possesses different roles and status in the society depending upon the groups, clubs, family, organization etc. to which he belongs. For example, a woman is working in an organization as finance manager. Now she is playing two roles, one of finance manager and other of mother. Therefore, her buying decisions will be influenced by her role and status.

1. Discuss how market segmentation, target marketing and positioning are interrelated with reference to branded Swiss Watch in the context of Nepal.

Answer:

When trying to reach customers with a marketing message or ad campaign, targeting the right market with the right message is essential — If you aim too broadly, your message might reach a few people who end up becoming customers, but you’ll also reach a lot of people who aren’t interested in your products or services. When your messaging isn’t optimized for your audience, you’ll end up with a lot of wasted advertising dollars. Market segmentation can help you to target just the people most likely to become satisfied customers of your company or enthusiastic consumers of your content. To segment a market, you split it up into groups that have similar characteristics. You can base a segment on one or more qualities. Splitting up an audience in this way allows for more precisely targeted marketing and personalized content.

It is virtually impossible to satisfy all customers, so it is up to the company to select the

specific parts of the market which they can best serve. Therefore, businesses could identify

market segments, select a few profitable segments, and develop products and marketing

mixes that are aimed at particular customers. Target marketing is made up of three stages:

market segmentation, marketing targeting and product positioning.

Segmentation is the identification of customer groups who share similar characteristics. This

process has a number of advantages, and enables a marketing manager to design an effective

plan for each segment. Usually, tourism companies segment their market by using

demographic, geographic, psychographic, behavioural and product-related variables. The

chosen segments ought to be measurable, accessible, substantial and actionable.

The global market has been segmented and one or more segments have been targeted, it is essential to plan a way to reach the target. Thus market segmentation, market targeting and product positioning are related to each other. Market segmentation is followed by marketing, targeting and product positioning. Generally, market segmentation and positioning are used together.

Market segmentation is the process of subdividing a market into district sub-sets of customers that behave in the same way or have similar needs. Each sub-set may conceivably be chosen as a market target to be reached with a distinctive marketing strategy.

Global market segmentation is the process of dividing the world market into distinct sub-set of customers that behave in the same way or have similar needs. In other words, international market segmentation is the process of identifying specific segments of potential customers with homogeneous attributes who are likely to exhibit similar buying behavior.

Targeting is the act of evaluating and comparing the identified groups and then selecting one or more of them as the prospects with the highest potential. A marketing mix is then devised that will provide the company with the best return on sales while simultaneously creating the maximum amount of value to consumers.

Market positioning is the location of the product of a company in the mind of customer. Positioning is what happens in the mind of the customer. The position that a product occupies in the mind of a customer depends on a host of variables, many of them are controlled by the marketer.

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