

Business communication and Marketing.

B.C P & P.

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Introduction to marketing

Chapter-1 :- Meaning of marketing

Marketing is system of satisfying customer needs and wants or giving satisfaction to customers through exchange relationship. It is collecting information from market designing product, distributing product, managing promotional activities, stimulating demand, exchanging product, satisfying customers and retaining customers over period of time. It is not only giving, informing and selling product but also satisfying buyers and developing long term relation.

Marketing consists set of activities designed, composed and undertaken by marketers related to product, price, place and promotion for offering value and satisfaction to buyers of target market.

Key elements/features of marketing.

- (a) Customer satisfaction.
- (b) Exchange relationship.
- (c) Set of activities
- (d) process
- (e) Operates within dynamic changes.

- (f) Objective achievement
- (g) Continuous
- (n) Central part of orgⁿ etc.

Marketing mix

Marketing mix is :-

- Set of controllable variables designed and offered by manufacturers and sellers to customers in market.
- It consists plan schedule of marketing manager to produce and distribute product.
- Bundle of activities and benefits designed and offered by seller to buyer for giving value and satisfaction to customers.
- It is managing activities related to product; prices, place and promotion (4Ps)

Components of marketing mix

(i) Product mix

- Product is anything that gives value and satisfaction to buyers.
- It consists goods and services offered by seller to buyer or exchanged between parties to meet their needs.
- product mix consists decisions and plans of manager to design product.
- It finalises product attributes by marketing decision about size, color, taste, smell, design, shape, grade, quality functions, features, warranty after sale services, type of product etc.

(ii) Price mix

- Price is the amount paid by buyer to seller.
- It is an economic value at which buyer is ready to buy and seller is ready to sell.
- Price mix consists managerial efforts and practices for determining terms and conditions related to sale.
- It is making decision about MRP, discount, cash or credit sale, credit time, credit collection policy, installment payment, down payment, system of charging price like penetration (charging low price at first) and skimming (charging higher price at first)

(iii) Place mix.

- Place is concerned with distribution of product from point of origin to point of consumption.
- place mix is managing activities for making product available to customers and accessibility to market.
- It is making decision about
 - (a) Marketing channel structure. (deciding network, distribution whole seller, retailer for making product available to customers).
 - (b) Physical distribution (Managing product order, warehousing, material handling, inventory mgmt and transportation for making product accessible in market).

(v) Promotion mix

- Promotion is giving product, price and place information to buyers.
- It is persuasive commⁿ from seller to buyer for creating willingness and stimulating demand.
- Promotion mix consists set of decisions taken by marketing manager for creating willingness.
- It is taking decision about

(a) Advertising (paid promotion form of non-personal commⁿ)

(b) Publicity (press release, article issue, press conference).

(c) Sales promotion (short term incentives, benefits and schemes offered to buyers).

(d) Personal selling (personal and face to face commⁿ between buyer and seller).

(e) Public relation (public welfare, sponsor, donation & charity e.t.c.)

⇒ Importance of marketing

(1) Importance to orgⁿ

- Goal achievement
- Demand mgmt
- Information exchange
- Product distribution
- Environmental adaptation
- Competitive strength
- Increase goodwill
- Effective decision making
- Revenue mgmt.

(2) Importance to customers

- Customer satisfaction
- Value addition
- Product advertisement facility
- Regular supply to product
- Increase status and prestige
- Supportive for planning and budgeting
- Identification of unknown needs and wants
- Increase living standard e.t.c.

(3) Importance to society

- Resource utilization.
- Fulfillment of community needs.
- Social welfare.
- Employment opportunity.
- Economic growth and mgmt
- Control of envⁿ pollution.
- Good relation with stakeholders.
- Event promotion and sponsorship e.t.c.

Emerging challenges to marketing in Nepal

- Political instability (Changes in plan, policy, strategy of govt).
- Geographical challenges (open border system problem in promotion, distribution as well as transportation, high product and material cost).
- Globalization (free flow of product in different countries, problem of Nepalese marketers to compete with international brand).
- Lack of consumer awareness (most of the Nepalese buyers are price sensitive in nature)

- (v) Workforce diversity as well as large number of ethnical groups in society.
- (vi) Change in technology (problem of technological upgradation, problem of shifting into e-commerce, online marketing e.t.c.).
- (vii) unclear legal and constitutional problems

Case study

Chapter-2 Evolution of marketing concept

- ① Production concept
 - ② Product concept
 - ③ Selling concept
- } Traditional.

Production Concept	Product concept	Selling concept
→ Marketing is producing and distributing product (producing at low cost and distributing at low price)	→ Marketing is producing quality product, durable product and giving consumer within affordable price range.	Marketing is managing promotional activities, creating customer awareness by giving information about product.
→ Mass production and mass distribution are means of marketing.	Product features, functions, performance are means of marketing.	Aggressive selling effort and selling techniques are means of marketing.
→ Profit through mass production volume and mass production through modern technology.	→ Profit through quality product.	→ Profit through sales volume.
→ focus on cost	→ focus on product	→ focus on promotion.
→ Demand through high supply.	→ Demand through quality product.	→ Demand through heavy promotion.
→ customer prefers low cost and widely available product.	→ customer prefer quality, durable and lifelong product.	→ customer can be persuaded from promotional techniques.
→ manager concentrate on how to reduce cost.	→ manager concentrate on how to improve quality.	→ manager concentrate on how to increase sales.
→ It ignores non-price variables after sales services.	→ It focuses on non-price variable and after sale services.	→ It gives incentives, benefits on quicker and greater demand.

Production concept	Concept product	Selling concept
→ Price is key in marketing.	Quality improvement over period of time	Heavy promotion budget.
→ Based on "we sell what we produce".	} Same	} Same.
→ It ignores customers needs and satisfaction.		
→ Ideas about product are generated from factory.		
→ Seller oriented		

(4) New marketing Concept

- Marketing is a system of identifying customers needs and satisfying them.
- Integration of activities and integrated effort to give value and satisfaction of customers.
- Profit through customer satisfaction.
- Demand can be increased from satisfied buyers.
- Fulfillment of needs and wants of target market.
- Market survey, market research to know customer needs.
- New way of thinking about customer needs.
- All departments, units, divisions work together to give value and satisfaction to buyers.
- Based on "we produce what we can sell".
- It focuses customer activities. Ideas are generated from target market.

- Developing and distributing superior value product.
- key elements/principles/features/pillars of new marketing concept

H/W

- (a)
- (b)
- (c)
- (d)

- Customer orientation
- Target market
- Integrated marketing
- Goal achievement.

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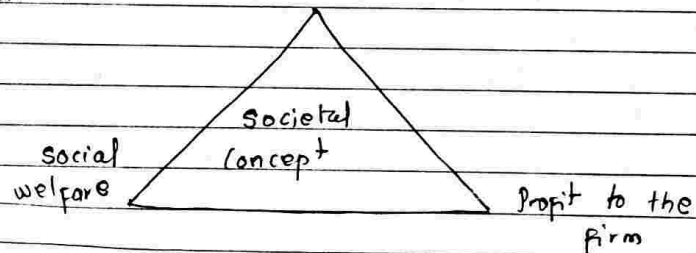
(5) Customer concept

- Marketing is identifying needs and wants of each individual buyer of target market and developing marketing effort to satisfy such needs.
- profit through customer relation between buyer and seller through latest development of IT.
- focus on individual needs and wants.
- one to one marketing concept.
- capturing large share of expenditure of buyer.
- It is developing profile of each individual buyer based on personal and family information.
- and family information.
- Each individual member is key in achieving long term goal
- Individualised marketing mix, customized marketing concept.
- Ideas are started from individual buyer.
- Focus on individual customer.

⑥ Societal concept.

- Marketing is a system of producing and distributing goods and services within society and fulfilling customer wants within social context.
- It is a social process of managing welfare and wellbeing of society, promoting development activities within society, protecting cultures and environmental factors etc.
- Profit should be earned through fulfillment of customer needs and social wants.
- Focus on social needs and wants.
- Fulfillment of social responsibility is means for marketing.
- Producing and distributing superior-value product compared to competitors.
- Integration of effort to fulfill social obligations and customer needs.
- Ideas are generated from society and target market.
- Marketing must be socially responsible and answerable for its action within society.
- Marketing emerges and grows within society.

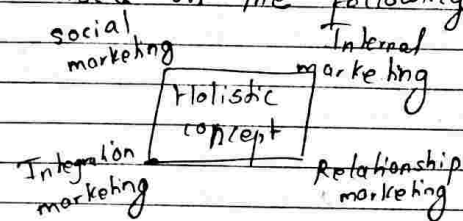
Pillars of societal concepts are:- welfare of consumer.



⑦ Holistic concept.

- It is focusing all activities and actions related to marketing. Any one aspect is not given too much emphasis but emphasis is given to all issues, conditions of marketing.
- Customer satisfaction can not be managed only from single factor but can be increased from different issues, aspect and activities.
- Integration of effort of all units and issues to achieve goal through customer satisfaction.
- Profit through marketing think.
- Combination of societal concept and new marketing concept.

It is based on the following four pillars.



Internal marketing

- It is making all units, divisions, individuals and members of orgⁿ customer oriented.

Relationship marketing

- It is developing long term relationship as well as mutual partnership with buyers to achieve long term goal.

Market segmentation and targeting Meaning of segmentation

- Segment means part of total or any group of buyer from total market based on common needs and wants.
- Segmentations is grouping total market into segments or dividing total customers into units / groups based on similar needs and wants to produce and distribute separate marketing mix to them.
- It is a process of identifying and profiling distinct group of buyers and managing marketing effort to satisfy them.
- It is micro marketing practice because all customers can not be satisfied from single product and design.

Market segmentation implies:-

- Division of total market into units.
- Customer of segment should have unique and similar needs and wants.
- Segment should be large enough for marketing purpose etc.

Requirements of effective segment

- (a) Measurable
- (b) Divisible
- (c) Accessible
- (d) Substantial
- (e) Action.

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Segmentation variables for consumer market

(1) Geographical variables

- factors related to geographical classification distribution etc.
- Area + country
 - State
 - Region
 - Zone etc.

(II) Topography

- Terai
- Hilly
- Mountain

(III) Popⁿ density - volume of popⁿ per sq. km.

(2) Demographic variables

- factors related to popⁿ distribution, combination etc like

- (i) Age
- (ii) Gender
- (iii) Education
- (iv) Religion
- (v) Ethnicity
- (vi) Family size
- (vii) Family life cycle
- (viii) Social class
- (ix) Income
- (x) Profession etc.

(3) Behavioral variables

Factors related to behavioral dimensions as well as response of buyer to brand and product or

company like

- (i) Buying Interest
 - Rational
 - Ego
 - Emotional
- (ii) Occasion
 - Day to day regular use
 - Special demand
- (iii) Usage rate
 - Heavy user
 - Medium user
 - light "
- (iv) User status
 - Regular user
 - First time user
 - Ex-user
 - Potential user
- (v) Loyalty
 - Hard loyal
 - Split loyal
 - Switchers
- (vi) Attitude
 - Positive
 - Negative

(vii) Psychographic variables.

- Factors related to feeling, perception, lifestyle, interest, hobbies and other psychological activities like:-

- i) Buying motive
 - ii) Interest
 - iii) Lifestyle
 - iv) Personality
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Segmentation variables for Industrial market

- (1) Geographic variables.
 - (i) Area
 - (ii) Topography
- (2) Demographic variables.
 - (i) Size of industry
 - large
 - medium
 - small
 - Cottage.
 - (ii) Type of industry
 - Agriculture
 - Banking
 - Education
 - Construction etc.
- (3) Operating activities

Related to methods, systems equipments, procedures like:-

 - (i) Service needed
 - Transportation
 - Installation
 - Credit facility
 - After sale.
 - (ii) Technology used
 - labour based
 - Capital based
 - Robotics
 - Animation etc.
 - (iii) Usage / size
 - Heavy
 - Medium
 - Light etc.

(u) Purchase related variables

(a) Purchase orgⁿ
 { Business
 { Govt
 { NGO / INGO etc.

(b) Documentation
 { Tender -
 { Direct -
 { Tax clearance.

(c) Negotiation period
 { long
 { medium
 { short

(d) Purchase decision
 { Head office -
 { By branch -
 { By single -
 { By Group -

(e) Mode of payment
 { Cash -
 { Cheque
 { Installment etc.

Process of market segmentation (homogenous group)

Market

Process

- (i) Market survey
- (ii) Segments identification → segment profiling
- (iii) Segments evaluation
- (iv) Segments selection.

(i) Market survey
 - It is studying total market and whole segment to know about general information for grouping them.
 - It is investigating product awareness, branding, response, market activities, customer perception, price value perception etc. of total market.

(ii) Segments identification
 - On the basis of collected information and analysis as well as evaluation of information, best segments are identified by marketer.
 - Factors affecting demand are classified into major and minor factors. Major factors are further studied by manager.
 - Qualitative tools and techniques can be used for developing segments.

(iii) Segment profiling / evaluation

- It is micro level or detail study of each identified segment to know their similarities and dissimilarities as well as to know segmentation variables that can be used for segmentation.
 - It collect more information for evaluating all possible options.

(iv) Segment Evaluation

In this stage, all developed segments are compared by marketer to select the best based on following common criteria / elements :-

- market size
- growth rate
- cost
- revenue
- profit potential
- Risk
- Competition
- Objective of orgⁿ
- Resource of orgⁿ
- legal aspect
- social aspect
- govt. policy.
- Desired market coverage.
- Ethical consideration etc.

(v) Selection of segment

- On the basis of evaluation result, best segment is selected by mgmt.
- Selected segment is called target market.

market segment targeting is selecting best option among from number of segments.

- segmentation is dividing into part and targeting is selecting any best part.
- market targeting is the result of segmentation.

Types / level of target market can be :-

- (a) Single segment coverage

- (b) Multi segment coverage
- (c) Product specialization
- (d) Market " "
- (e) Full market coverage.

Product Positioning

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Benefits / Importance of market segmentation

- Effective use of marketing resources.
- Goal achievement
- New environment opportunities
- Environmental adaptation
- Market specialization
- Competitive response
- Product diversification.
- Customer satisfaction and retention.
- Effective planning and decision making etc.

Types of segmentation

- (i) local market
- (ii) Customized market
- (iii) Differentiated market
- (iv) Niche market.

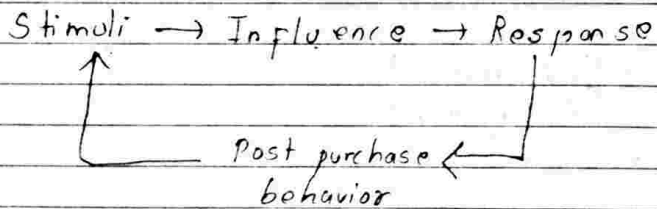
Analysis of Buyer's Behavior

Meaning

It is analysing observable activities of buyer related to buying decision and purchase activities of individual and orgⁿ. It analyses, buyer's intention of buying pre-sale activities, buyer's nature, using system of product e.t.c. No two buyers behave in the same way. So, markets need to analyse how they behave, why do they buy, how they buy and dispose product e.t.c. Buyer's behaviour analysis is identifying and studying answer of following questions :-

- (+) who participates in buying
- when do they buy
- How do they buy
- Where do they buy
- why do they buy e.t.c

model of buyer's behavior analysis can be defined as.



(i) Stimuli

- > It focuses stimulators that generate demand of product.
- > It can be internal and external in nature.

(ii) Influence

- It consists factors that determine either purchase or not as well buying decision
- It consists age, gender, income, profession, family, society, and other personal factors.

(iii) Response

It is response to brand and store with decision about purchase time, quantity, size, color, amt e.t.c. product is actually purchased by buyer.

(iv) Post purchase behaviour

It is concerned with level of satisfaction as well as fulfillment of expectations of buyer. After use or consumption, buyer may be satisfied or dissatisfied. Satisfied buyer shows positive post purchase behaviour but dissatisfied buyer shows negative post purchase behaviour e.t.c.

Factors Affecting consumers buying behaviour

(1) Personal factors

- Age
- Gender
- Occupation
- Income level
- Lifestyle - Personality
- Family size

(2) Psychological factor

- Buying motive
- Lifestyle
- Personality
- Interest

- Learning
- attitude
- ego

- (3) Economic factor
- level of income
 - Economic condition
 - Credit amount
 - Amount of loan
 - Saving and investment
 - Attitude towards spending
 - Amount of liquid assets e.t.c.

- (4) Socio-cultural factors.
- Religious
 - Family
 - Social status, identity
 - Reference group
 - Culture and subculture e.t.c.

Factors Affecting Organizational Buying Behavior and Decision

- (1) Environmental factors
- Political
 - Legal
 - Economical
 - Socio-cultural
 - Technological
 - Ecological e.t.c.

Political/Legal Factor
- Political factor
- Legal factor

(II) Personal factors (फैक्टर्स ऑफ इंडिविजुअल)

- Age
- Gender
- Income
- Status
- Life style
- Personality e.t.c.

(III) Interpersonal factor (फैक्टर्स ऑफ इंटर्पर्सनल + ऑर्गन)

- Interest
- Authority
- Job position
- Persuasiveness

(IV) Organizational factors.

- Plan
- Goal
- Methods
- Budget and resources
- size of orgⁿ
- Type of orgⁿ e.t.c.

Difference between consumer and organizational buying behavior or feature of consumer and organizational buying behavior

Consumer

- Large volume of buyer but small purchase transaction
- Elastic demand
- Emotional buying
- Generally cash transaction
- Less priority to documentation
- No need to issue notice and collect proposal
- Purchase from retailers
- Purchase decision by family members and individuals.
- Purchase for personal use
- Generally short negotiation period.
- Behaviour can be influenced by sales promotion.

Organizational

- Small volume of buyer but large purchase transaction
- Inelastic demand
- Rational and professional buying
- Generally credit purchase cheque agreement.
- more priority to documentation.
- Need to issue notice and collect proposal.
- Purchase from wholesaler and company.
- Generally decision by group.
- Purchase for organisational purpose.
- Generally long negotiation period.
- Behaviour can be influenced by personal selling.

Consumer Buying Process

- (i) Need recognition
 - Products is purchased to fulfill needs and wants. So, need should be identified and recognized at first.
 - It is targeted to unmet/unfulfilled needs/wants.
 - Need should be active in nature i.e. need with ability to pay, willingness to spend.
 - Active need guides and directs buyer to buy product and to seek satisfaction.
 - Needs are stimulated from internal and external factors.
- (ii) Information search
 - Collecting information about varieties and alternatives of product to be purchased by buyer.
 - It collects functions, features and other information of different brands.
 - Information can be collected from internal sources (scanning of memory) and external source (advertising, public, media, etc)
- (iii) Evaluation of alternatives
 - All collected alternatives are compared by buyer.

based on budget need of product, buying motive, brand values, functions, features, economic and social factors, family factors, psychological factors etc to select the best.

- It develops final decision of buying product.

(iv) Purchase decision

- Product is actually purchased by buyer based on information of evaluation results.
- Purchase decision can be affected by motive of buying, mode of payment, situational factors, benefits offered by seller to buyer etc.

(v) Post purchase behavior

Organizational/Industrial Buying process

- (i) Need Recognition
- (ii) Product Specification
- (iii) Proposal collection
- (iv) Evaluation of proposal
- (v) Purchase decision
- (vi) Post - Purchase Behavior

(ii) & (iii) It is defining detail of the product going to purchase by the firm. It explains required functions, features, quality, size, attributes and components of product. This task is facilitated by technical experts and members of related parties product. It also focuses desired

performance of the product after use.

Proposal collection

- In this stage, either existing suppliers are requested to send the proposal or new public notice is issue to all interested suppliers and parties. Proposal related to product are collected. Basic requirements or qualifications of supplier can be defined in notice to filter flow/volume of proposals.

High involvement & low involvement purchase

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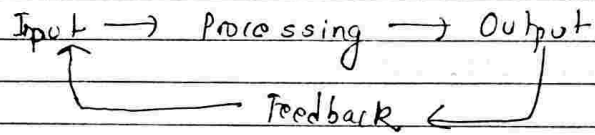
Importance of buyers behaviour analysis

- (i) Customers satisfaction
- (ii) Market specialization
- (iii) Efficient use of resources
- (iv) Product positioning
- (v) Environmental adaptation
- (vi) Competitive strength.
- (vii) Marketing mix development
- (viii) New market opportunities

Marketing Information System (MKIS)

MKIS is a formal and separate mechanism or unit of orgⁿ for managing data and information to make effective decision. It is collecting, analysing, evaluating, interpreting data and information to facilitate decisions of marketing manager. MKIS collects raw data from environment, converts raw data into useful information through necessary processing and informations are either stored for future or immediately distributed to marketing manager. It consists people, structure, technology etc for obtaining required data and for giving needed information at right time. So, MKIS unified system of interrelated parts to facilitate marketing decisions by managing timely, accurate, needed and consists information to decision maker.

It can be defined as :-



MKIS consists of following features :-

- (i) Processing of data
- (ii) Accuracy " "
- (iii) Consistency of data
- (iv) Interrelated parts

(v) Timeliness of data etc.

Components of MKIS :-

(1) Internal Record System :-

→ It is collecting, analysing, evaluating and interpreting data and information from internal and external activities, performance, results etc. It is related to internal database system of organization which maintains and gives record about past activities, present performance, results and problem. Internal records are maintained by concerned managers and leaders of related group. It also fulfills legal as well as ethical obligation of organization. It consists information related to production, sales, revenue, expenditure, assets, liabilities, annual report, audit report, tax, VAT etc.

(ii) Marketing Intelligence System

It is collecting, analysing, interpreting data and information from market environment to know about emerging changes and potential events. It is studying about every day happening in the field of marketing environment. So, it is also called environment scanning in organization for effective marketing goal, planning, policy making and strategies. Data and information can be collected from data collectors, consultant, competitors, stakeholders, expert, etc. It also defines ways and source of generating and defining latest development of micro and macro environment.

(iii) Marketing Research system

It is systematic inquiry undertaken or conducted by organization to obtain detail information about any problem and situation. It is problem oriented inquiry to gain moral options for better solution. It offer multiple choice for manager in decision making. So, it is concerned with SWOT analysis to solve problem. Marketing research consist of set of method, procedures & system process used by organization for collecting specific information for strategic marking decision to manage any situation and event. Large size organization have them own reserach department such small organization hire service from outside (consultant e.t.c).

(iv) Decision support system (DSS)

It consist an interactive computer programmes and system that allow manager to interact with data and information. It analyse and interprets data through qualitative methods, models for effective decision making. DSS does not collect any information but analyses and evaluate collected information to facilitate decision making DSS consists.

- Data bank
- Method bank
- Model bank
- Online devices e.t.c.

Process of Market Research(i) Defining Problem

Market research is problem oriented systematic inquiry of organization. So, fact problem should be identified at first.

- Problem is the gap between existing and desired solution.
- Problem identification means half solution.
- Symptoms cannot be taken as problems.
- Marketing problems can be collected and identified from various techniques.
 - Delphi technique.
 - Case study
 - literature review.
 - Brainstorming
 - Nominal group technique e.t.c.

(ii) State research objectives

- It explains purpose of conducting research or motive of generating cash.
- It also explains general hypothesis about outcome or results.
- Cause and effect relationship as well as different variable related to research are defined.
- It also develop standard for research activities.
- while defining research objective use (to + verb) form like to analysis to define to compare, identify etc.

(iii) Develop research plan:-

- It explains methodology for generating data.
- Plan schedule of activities are defined with data

Sources (Primary and secondary).

→ It is making decision about.

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(iv) Data collection

(v) Data analysis

(vi) Reporting.

Importance of MKIS

- Marketing planning
- Marketing control
- Marketing decision making
- Marketing program implementation
- Environment adaptation.
- New environmental opportunities.
- Efficient use of marketing resources.
- Effective demand and market management.

Chapter-8

Pricing Concept

- Price means any amount of product paid by buyer to seller for obtaining utility utilities and benefits.
- It focuses financial or economic value of product at which product is exchanged between buyer and selling.
- Pricing means system and process of determining price of product or charging MRP on product.
- It focuses strategies, policies, methods and system of adjusting required profit on cost.

Methods of Pricing

① Cost oriented method

- Price on the basis of total cost of product or product related activities.
- It only focuses cost that means it ignores competition, competitive strategies, customer activities, customer willingness etc.
- # It consists following method:
(A) Cost plus method mark up pricing
 - price on the basis of per unit cost
 - Desired profit margin per unit is added on per unit cost to determine price.
 - Standard mark up is 20%.
 - If cost per unit = Rs 1000/-

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Standard mark up = 20%.

$$\begin{aligned}\text{Then selling price} &= 1000 + 20\% \text{ of } 1000 \\ &= \text{Rs } 1200 \text{ per unit.}\end{aligned}$$

(B) Target return / Return on investment (ROI)

- In this required return on investment is calculated at first.
- ROI is added on total cost and sum is divided by sales unit.
- meaning of investment or amount of investment should be defined clearly.
- Net worth of business should be defined carefully.

$$\text{Selling price} = \frac{\text{Total cost} + \text{ROI}}{\text{Sales unit}}$$

$$\begin{aligned}\text{If sales unit} &= 15,000 \text{ units} \\ \text{Total investment} &= 70,00,000 \text{ units} \\ \text{Total cost} &= \text{Rs } 30,00,000/- \\ \text{ROI} &= 15\%.\end{aligned}$$

$$\begin{aligned}\text{Then, selling price} &= \frac{50,00,000 + 15\% \text{ of } 70,00,000}{15,000} \\ &= 403.33 \text{ per unit.}\end{aligned}$$

(C) Break Even Pricing

- In this, break even is calculated at first and amount of desired profit is added or adjusted on break even pricing.
- Break even neither profit nor loss or revenue becomes equal to cost.
- Profit means high amount of sales than BEP.
- Break even is calculated from amount of fixed cost, selling price per unit (\$PPU) and

variable cost per unit (VCPU) with the assumption that they remain constant upto certain limit.

Break Even in units = $\frac{\text{Fixed cost}}{SPPU - VCPU}$

Rs = Break Even in units \times SPPU

Sales with desired profit,
Sales = $\frac{\text{Fixed cost} + \text{desired Profit}}{SPPU - VCPU}$

If, Total fixed cost = Rs 15,00,000/-
SPPU = Rs 1000/-
VCPU = Rs 600/-

Then BEP = $\frac{15,00,000}{1000 - 600}$
= $\frac{15,00,000}{400}$
= 3750 units

If sales unit = 4500 units
Desired profit = Rs 10,00,000/-

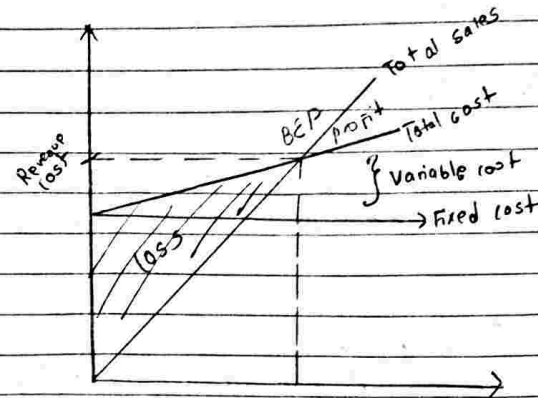
Then desired SPPU = ?

Sales = $\frac{\text{Fixed cost} + \text{Profit}}{SPPU - VCPU}$

4500 = $\frac{15,00,000 + 10,00,000}{SPPU - 600}$

4500 SPPU = 25,00,000 + 27,00,000
 \therefore SPPU = Rs 1155.55

Again graphically



(2) Competition oriented Method.

- Price on the basis of competition, competitors strategies, market activities etc.
- It ignores cost activities, customer and consumer activities.

It consists :-

- meet the competition
- Below the competition
- Above the "
- Sealed bid

IMP for exams

(3) Value Oriented Methods

- Value means ratio between cost and benefits.
- It focuses customer response, customer activities, feedback.
- Price is based charged on the basis of customer information but not on the basis of competition and cost.

It consists :-

- Customer value pricing
- Perceived value "

? Detailed from ICAN BOOK (HW)

Pricing policy

① Single Price Policy

→ One price to all types of buyers, no change of price on the basis of purchase volume, buyer.

② Flexible Price policy

→ Diff. price is charged to different types of buyer, location, time / rate is diff. according to volume.

For example:- Nepal Telecom (Night 10-5) half of the price.

③ Geographical pricing policy

→ Adjustment of transportation cost / who is responsible to pay transportation cost - seller or buyer.

(a) Free on board

→ Board → in which goods are load eg:- Truck, Ship

Up load that is the cost of seller and after that the expenses are of buyer.

(b) Uniform delivered price

→ wherever and whichever area the rate is same to all. Delivery responsibility of company. Delivery charge is not charged to customer. but not on off road, it should be pitched road.

(c) Zone price

Price varies according to state and zone.

(d) Base point price

Specific area is considered as base and goods are delivered to that place. For example
Ktm → we take → Narayangadh → from here take
↓
Base point to us

(e) Freight absorption

Total cost is divided among seller and buyer of the transportation on the basis of mutual consent.

(4) Product mix price policy

(a) product line price

Size or quality or accessor rate different.
Adult and Child - base size.

(b) Two part price

If there's a mixture of fixed and variable price then it is called two part price.

(c) Ancillary product price.

Main product → Expensive

Ancillary → less expensive or cheap.

(b) Main product Ancillary (child) (child)

(d) Optional features price.

Normal price for the product and normal price and if we add additional features add additional amount of money for that additional features.

(e) Product bundling price

Ekta name ki ek product and rate of the bundle is this much.

Geometry box → whole to price not ek ek saman

Pricing Strategies.

(1) Price change strategy

- (a) Price increase
- (b) Price decrease
- (c) Price maintain.

(a) Price increase

Demand ↑, Subsidy ↓, Cost ↑ (High) ↓ Low (L)

(b) Price decrease

Demand Decrease, High Subsidy,

(c) Price maintain

General fluctuation of cost ma price change hudaia.
Limit samma price change aaudaina.

(2) Market entry strategy

- Price skimming
- Price penetration

Skimming

Cost - expensive Vayera market ma fact ani
price low $\frac{1}{4}$ Janha. Branded items are skimmed.

Penetration

First Rate rasto then with the increase of consumer
and all then price is increased.

(3) Market (Price) response strategy

- (a) Competitive price
- (b) do nothing "
- (c) Non-price competition.

(a) Competitive price

Competitive le j garcha kei garne, according
to market change price

(b) Do nothing price

सिवा वसि एव \neq Fatak pardana, Nothings changes
with market

(c) Non-price competition.

Auro le rate gataye vane hamile rate nasatache,
but add features to it.

(4) Psychological Pricing strategy

(a) Prestige price

(b) Promotional price

(c) Odd-Even "

(d) Psychological discount.

(a) Prestige price \rightarrow Rate is expensive and customer
think that expensive is nice and more expensive
more demand

(b) Promotional price \rightarrow Opening discount, offers

(c) Odd-Even \rightarrow 999,

(d) Psychological discount \rightarrow (130,000) \rightarrow samana 15%
discount offer.

5) Product life cycle strategy of price

- (a) Introduction stage :- High price due to price cost of production
- (b) Growth = low price
- (c) Maturity = competitive price
- (d) Decline stage = Either high or low price according to willingness of hard byal buyer.

Importance of price

- ① Importance of economy (macro prospective)
- Factor of production
 - Economic mgmt
 - Economic growth and development
 - Saving and investment
 - Demand and supply mgmt
- ② Importance to orgⁿ (micro prospective)
- Revenue mgmt
 - Competition mgmt
 - Demand mgmt
 - Sales mgmt
 - Profitability etc.
- ③ Importance to customers
- Quality assurance
 - Increase status / prestige
 - selection of product
 - planning and budgeting etc.

Objectives of price

- ① Sales oriented objectives
- Increase sales
 - Increase market share
- ② Profit oriented objectives
- Profitability
 - Mgmt of target return.
- ③ Quality oriented objectives
- Quality leadership
 - Quality imitation
- ④ Status-quo related objectives
- Price stability
 - Competitive price
 - Survival price etc.

Chapter-9

Place

- Place is concerned with distribution of product from one place to another place or from point of origin to point of consumption. It is getting product to target market or it gets product to buyers of market.
- Place is managing physical flow of product based on:-
 - * Channel structure (It is managing ^{distributor} wholeseller, retailer in market for making product available to buyer.
 - * Physical distribution. (It is managing accessibility of product in market through order processing, warehousing, inventory mgmt, material handling and transportation)

Objectives of place

- flow of product
- availability of product
- accessibility of product
- customer satisfaction
- Value addition
- Marketing efficiency e-t-c.

Importance of place

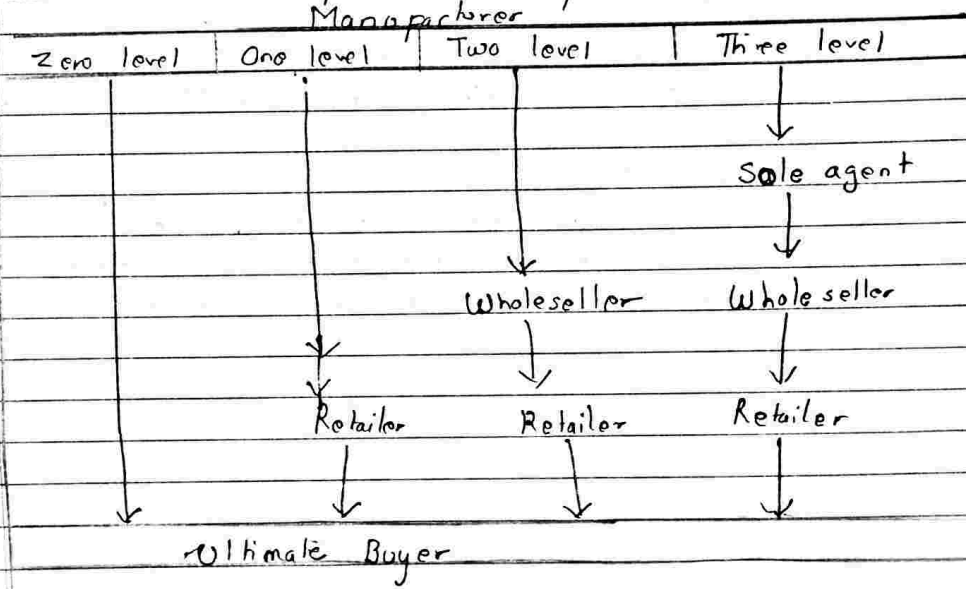
- Financing
- Communication
- Promotion
- Distribution
- Value Addition
- Competitive strength e-t-c.

Channel Structure

- It is concerned with mgmt of independent, interdependent, dependent as well as related parties, agencies, institutions etc involved in distribution of product from one place to another place.
- It makes forward movement of product from manufacturer to consumers.
- It consists channel members for making product available to customers
- Channel structure can be direct or indirect in nature. Direct means no middle man in structure. Product is directly distributed by manufacturer. Indirect means use of channel member in distribution. It also focuses channel level that means number of middleman involved in distribution.

Channel structure can be of two types:-

(i) Channel structure for consumer product



(a) Zero level / Direct marketing

- No use of middleman in distribution
- Product is distributed by manufacturer.
- It focuses door to door marketing, online marketing, TV marketing, Tele marketing, catalogue marketing e.t.c.
- It is suitable to sell highly expensive items, perishable items e.t.c.

(b) One level channel

- Use of one middleman in distribution system
- Short channel with low cost of distribution
- suitable to sell branded items or if there are large number of department stores.

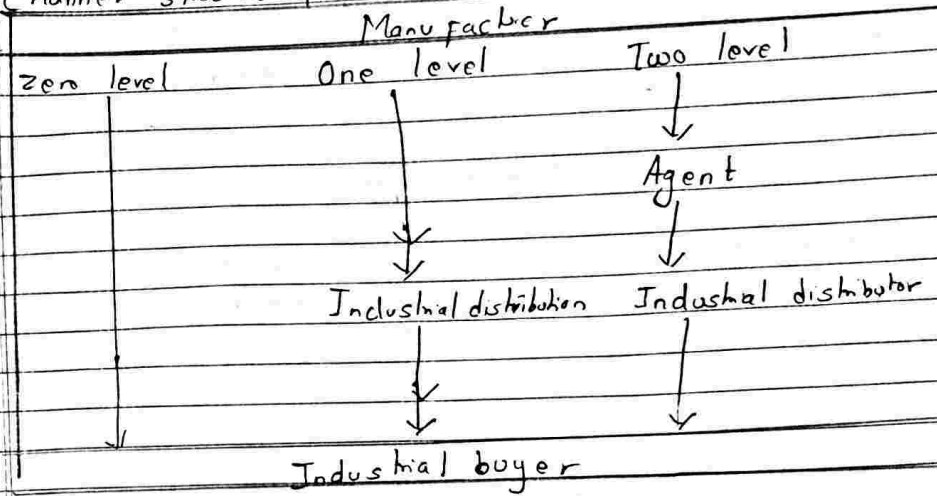
(c) Two level

- Use two middleman in distribution
- Traditional and widely used channel
- long channel with high cost of distribution
- suitable to shopping and convenience products.

(d) Three level

- Use of three channel members in distribution
- longest channel with highest distribution cost
- suitable to multinational companies.

(ii) Channel structure for Industrial Product



(a) Zero level

≡≡≡ Suitable to expensive capital items and service.

(b) One level

≡≡≡ Suitable to equipment, parts, material

(c) Two level

≡≡≡ Suitable to supplies, material e.t.c.

Middleman in channel structure

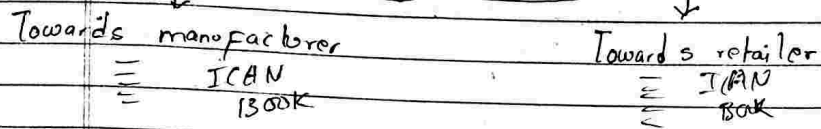
(1) Wholeseller

≡≡≡ Bulk buying, bulk selling,

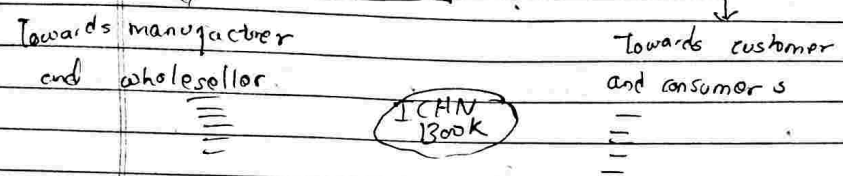
(2) Retailer

≡≡≡

Roles of Wholeseller



Role of Retailer



Physical Distribution

- Physical distribution is a process of getting product to buyers/customers at right time in right quantity to right type of buyers.
- It focuses physical flow of product or actual flow from point of origin to point of consumption.
- It aims for faster delivery at reasonable cost for better customer satisfaction.
- Physical distribution is related with logistic management that means system of planning implementing and controlling activities related mgmt of material and distribution of finished product to target market.

Components of physical distribution are:-

(a) Order processing:-

- It is receiving, handling and filling orders.

- (b) Orders can be received from personal visit, online devices telephone, fax etc.
- Order handling means maintaining record and information going to different departments.
- Order filling means giving product to transporters for delivery to customers with necessary shipping and legal documents.

(b) Warehousing

- Warehouse is a place where products are stored until they are sold to customers.
- It also performs other functions such as packaging, assembling and bulk breaking.
- Warehousing is concerned with decisions about types of warehouse, capacity of warehouse, location of warehouse, either private, public or contract based warehouse etc.

(c) Material handling

- It is concerned with system of using equipments for physically handling material.
- It is concerned with system of minimizing loss, damage, destroy, theft etc.
- It can be done through mechanical system (truck, lift, crane, train etc) and non-mechanical system such as man, animal, lockers, boxes etc.

(d) Inventory mgmt:-

- It is concerned with decisions about
- (i) Order type (private, common contract based)
- (ii) Stock level (maximum, minimum, Re-order, safety)
- (iii) mgmt of cost (ordering cost, carrying cost, stock out cost)

(iv) Inventory management (Economic order quantity, ABC analysis, JIT system).

⊕ Transportation

- It manages movement of flow of product from one point to another point.
- Carrier type (private, common contract based)
- Transportation mode may be by road, by air, by rail, by water, by man and animal on the basis of cost, time, safety, availability etc.
- It also focuses intermodal transportation that means combination of two or more means of in delivery of product.

Chapter - 10

Promotion - Concept

- Promotion is persuasive communication from seller to buyer or by marketers to customers of target market.
- It is giving information about product attributes and benefits to buyers for creating awareness and desirability about the product.
- It also manages customer's willingness to buy a product.
- Promotion is a system of stimulating demand.

Objectives of promotion are:-

- Informing
- Reminding
- Re-inforcing
- Persuading
- Image building etc.

Components of promotion:-

(1) Advertising

- Advertising means any type of paid form of non personal communication which is managed through any media and sponsored by an identified sponsor.
- It is mass communication to large number of audiences/buyers at a time.
- So advertising means:-
 - Paid form ✓
 - Non-personal comm ✓
 - Sponsored through any media. ✓
 - Involvement of media and development cost ✓

- Promotion of product
- Mass communication
- It has objective
- It gives information etc.

Types of advertising

Primary demand and selective demand:

product or institutional

local, national or international

Consumer or trade.

Objectives

- Informing
- Reminding
- Reinforcing
- Image building
- Persuading
- Supportive for other tools
- Competitiveness etc.

Importance

- Brand loyalty
- Customer retention
- Market development
- Sales increase
- Competitive benefits
- Supportive for other tools of promotion etc.

Advertising media

- Print media (Newspaper)
- Audio media (Radio)
- Visual media (Boards, display etc.)

- Audio-visual media (Television)
- Online media (email, internet etc.).

(2) Personal selling

- Personal selling is personal comⁿ between buyer and seller.
- It focuses face to face interaction as well as physical presentation of buyer or seller to exchange their information among each other.
- It is a system of persuading buyers to buy more product and to buy product more willingly.
- In this system, seller either goes to buyers home/place or buyers come to seller's store to complete exchange relationship.

Features

- Two way communication
- Persuasion
- mgmt of non-selling functions

Objectives

- Persuading
- relationship development
- mgmt of non-selling functions.

Methods of personal selling

- (i) According to location:
 - Indoor personal selling
 - Outdoor " "
 - Indoor-outdoor personal selling

- (1) According to employer
- Manufacturer's sales force.
 - Distributor's sales force

Process of Indoor personal selling

- attention (colourful lights, attractive signboard, well dressed staff, other decoration etc).
- Warm welcome (smiling welcome offering hot/cold drinks)
- knowing needs and wants (listening customer politely)
- Presentation of products with features, functions, price etc.
- Handling / solving confusions and questions of buyer
- Completing sales and exchange relation.
- Giving any small gifts item, smiling, thanks to buyer and invitation to visit again.

Process of outdoor sales / Travelling sales

- Identifying prospective buyers.
- Pre-approach (collecting detail information)
- Approach (contacting and visiting)
- Presentation of product
- ~~presentation~~ Handling questions of buyer & completing exchange relation follow up (calling to buyer offer some days / weeks to know about performance / feedback and to collect additional demand)

(3) Sales promotion

- Short term incentives, benefits and skims offered by seller to buyer for increasing sales volume within specific time limit. It is a system of managing quicker and greater purchase response of buyer to increase purchase volume of them.
- It focuses different demand stimulating devices and tools designed and offered by marketers to customers of target market.

Features

- Target audience
- Short term → benefits and facilities

Objectives

- (1) Consumer promotion objective
- Sale of new brand
 - Customer retention
 - Attraction of new buyers
 - Fulfillment of social responsibility

(2) Objectives for trade promotion

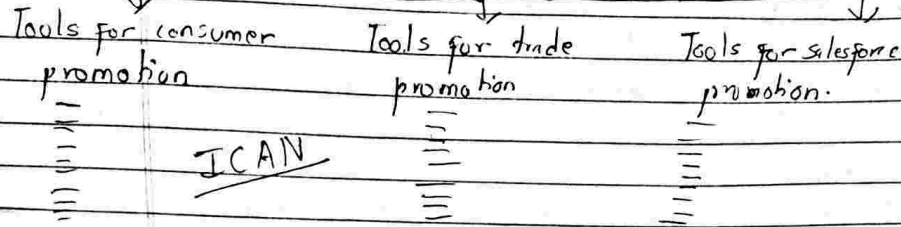
- Encouraging greater stock
- Attraction of new channel member
- Retention of existing channel member
- Sale of new brand

(3) Objectives for sales force promotion

- Motivation of sales force
- Retention of sales force

- Push of new brand

Tools / methods for sales promotion



(4) Public Relation

- It is developing positive attitude of public towards orgⁿ and its brands, activities in community / society.
- It also focuses system of managing positive feeling, interest and attitude of all stakeholder as well as interest group about company's activities.
- It also focuses training and tour to people of society, donations, charity and sponsorship to activities of society, participation and support to social development activities etc.

Objectives

- To announce new product
- To " " " methods
- To " " " technology
- " " " branch
- To build interest on established item
- To manage counter to negative publicity etc.

Methods

- (I) Media relation methods (II) Public service activities methods
- Publicity
 - Publication
 - Interview
 - News release
 - Article issue etc.
 - lobbying
 - sponsorship
 - Exhibition
 - Display etc.

Factors affecting / Determining selection of promotion mix / component

- (i) Budget for promotion → High budget = Advertising
→ low budget = Personal selling
- (ii) Objectives of promotion → only informing = Advertising
→ Persuading = personal selling
→ Image building = public relation
→ Increasing sales quickly = sales promotion
- (iii) Types of strategy → Pull strategy = consumer promotion
→ Push " = Trade "
- (iv) Types of product → consumer product = Advertising and sales promotion.
→ Industrial product = Advertising and personal selling.
- (v) Product life cycle stage → Introduction stage = Advertising and sales promotion
→ Growth stage = focus on " only
→ Maturity stage = Focus on sales promotion
→ Decline " = less emphasis to all toolset.

Emerging concepts in marketing

① Relationship Marketing

- It is developing long term partnership and long term mutually satisfactory relation between buyer and seller.
- It focuses relation, network, attachment, closeness and togetherness between buyers and sellers for fulfilling their needs and wants.
- Both parties cooperate and collaborate among each other which designing marketing mix and exchanging value and satisfaction.
- It is creating customer loyalty and managing customer retention over a long period of time to achieve long term goals.
- It is a process of converting first time buyer into long term partner for exchanging value.
- Customers are considered as partner in managing and developing market activities.

Customer development steps in relationship marketing

- ① Identifying prospective buyers
- ② First time buyer
- ③ Repeat buyer (second time)
- ④ Client (buyer who is treated specially)
- ⑤ Member (giving membership cards, discount cards etc)
- ⑥ Advocate (who tells about our products to others in society)
- ⑦ Partner (idea sharing, value exchange)

Strategies of developing relation

- Credit facility
- Quality product
- After sale service
- Technical support
- Economic benefits
- Social respect and recognition
- Customer get together programs
- Free sample distribution etc.

② E-commerce

- managing marketing activities through electronic devices such as computer, telephone, fax etc.
- managing exchange relationship through electronic devices.
- giving information and completing exchange relation through computers.
- Online computer serve as key channel to share information.
- It connects buyers and sellers of global market through online computers.
- It is paperless marketing system.
- Payments are managed through banking system.
- It is customized marketing, individualized marketing and direct marketing system.

Features

- Online services
- Computerized data depository system.
- Relationship marketing
- Direct marketing
- email and internet facility

Connectivities

- (i) B 2 B (Business to Business)
- (ii) B 2 C (" to Customers)
- (iii) C 2 B (Customers to Business)
- (iv) C 2 C (" " Customers)

Advantages (Positive Impact)

- Cost benefit
- Market expansion
- Time benefit
- Direct Marketing
- Easy to develop relation.
- Easy to develop strategic alliances etc.

Advantages / Limitations

- Authenticity problem
- Security "
- Problem of ethical concern
- less suitable to remote area marketing
- limited users etc.

3) Strategic alliance.

- Strategic alliance focuses short term partnership agreement as well as contractual agreement between two or more firms of an industry.
- It also focuses system of integrating activities and developing network relation among firms, for sharing ideas, competencies, information.
- Equity investment is not compulsory.
- Now, it is popular in service sector such as hotels, hospitals, travel, airlines etc.

Reasons for joining alliances (Advantages)

- Resource exploitation
- Cospecialization
- Risk mgmt
- Market expansion
- Learning opportunity
- Effective operation
- Information exchange
- Technology transfer etc.

Scope of strategic alliance

- Buyer - Buyer alliance
- Buyer - Seller alliance
- Seller - Seller alliance
- Alliance to block new entry
- " to gain new entry
- Alliance to share work etc.

** Requirement of effective alliance

- Support top level mgmt
- alliance from organisational level
- Environment of trust
- Performance expectations.
- Change oriented
- Strong interpersonal relation etc.

Types/forms of strategic alliance

- (1) Ownership based alliance
 - (a) Joint venture
 - (b) Consortia.

(ii) Market based alliance

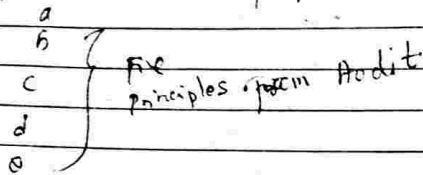
- (a) Network
- (b) Opportunistic

(iii) Contract based alliance

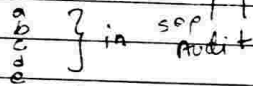
- (a) Licencing
- (b) Franchising

(4) Green Marketing (Book)

(5) Principles related to professional of accounting & finance



(6) Threats related to professional of accounting and finance



(7) Professional ethics

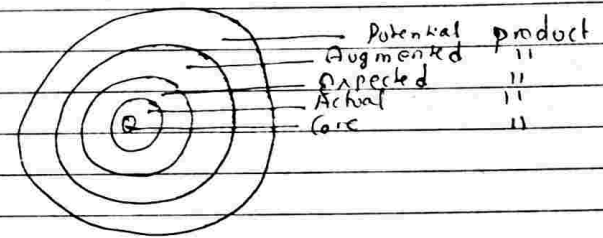
(8) Sources of ethics / factors affecting ethics See BC-Chapter 1

Ch-7 Product

Concept -

Product means anything which is offered by seller to buyer or which is exchanged between buyer and seller. It focuses goods and services that have ability and quality to fulfill customer needs or to satisfy customer requirements. All either tangible or intangible matter designed and offered by marketer to buyers of target market are products. So product means composed form of brand, size, color, packaging, labelling, functions, features, and other attributes composed by marketers. It consists goods, service, idea, skill, experience, information, organization, property, people etc.

Levels of product are:-



Core product

- Utilities and benefits to buyer from product
- Purpose of buying
- eg:- Buying hotel room means buying rest and sleep.

Actual product

- Anything which is actually produced/purchased.
- Anything that gives core benefits and utilities.
- eg:- Hotel room.

Expected product

- Expectations about product performance
- Imaginations about result and return after use
- Eg:- Expectations of panoramic view from hotel and many beautiful garden, swimming pool etc in hotel.

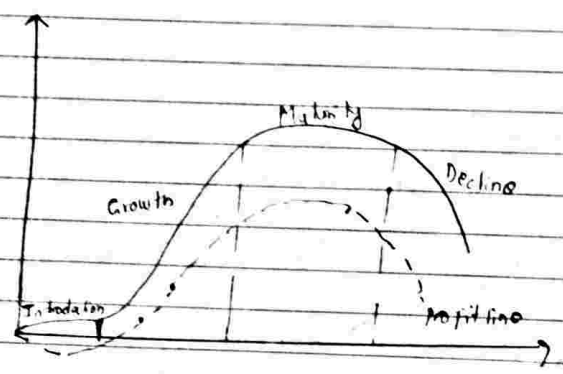
Augmented product

- Additional benefit and facilities offered to buyer with product without any additional cost
- Eg:- Free lunch, breakfast and dinner to hotel guests.

Low Potential product

- Transformation of buying in future
- It indicates level of satisfaction
- Eg:- Regularly on that hotel according to need and requirement.

Product life cycle



(i) Introduction stage

- Product is new to market
- Innovative product is developed
- Objective is inquiring to buyers
- No competitors in market
- Product may be accepted or rejected
- High cost of production
- Slow growth in sales
- Profit may be negative or low
- So

(ii) Marketing strategies

- Small product line and mix
- Selected distribution
- Free sample distribution
- Price may be high due to high cost
- Heavy promotion budget
- Increase advertising of sales
- Collecting feedback
- Improvement on product according to feedback etc.

(iii) Growth stage

- High growth in sale
- High growth in demand and revenue
- Product accepted by market
- Objective is increasing sales
- Low cost of production
- Entry of competitors
- Product is purchased by opinion leader.

(iv) Marketing strategies

- Increase production line and mix
- Change functions and features
- Improve quality

- Emphasize brand loyalty
- low price due to low cost
- Increase distribution network and channel
- Maintain advertising etc.

(iii) Maturity stage

- Slow growth on sales and then stability
- Stability in demand, revenue, profit
- Sales are at the peak level
- High level of competitive pressure
- Product is purchased by middle majority buyers.
- Objective is retaining market share and customers
- Utilization of full industry capacity.

Marketing strategies

- Product differentiation and modification
- Price based on competition
- Emphasize brand loyalty
- Reduce advertising
- Increase sales promotion
- Aggressive distribution etc.

(iv) Decline stage

- Decrease in sale, demand, revenue, profit
- Profit reaches to zero and negative level
- Weak competitors withdraw from market
- Product is purchased by laggards and hard loyal buyers.
- Objective is maintaining existence in market.

Marketing strategies

- Decrease product line and mix

Product
↓
Item

- Eliminate non-profitable items
- Reduce distribution channel
- Market survey, research and analysis
- Development of new product
- Less emphasis to promotional tools
- Price according to stock and willingness of hard loyal buyers.

Product line and mix strategy

Product line strategy

Product mix strategy

Product line strategy

- > set of closely related products or items of any product offered by manufacturer.
- > Varieties of any product which are similar in nature, function, features and they fall within given price range.

Line length

- It focuses on total number of items of any product
- > Sum of varieties of any product
- > New items can be added and reduced

Line Modernization

- Neither adding new item nor reducing existing item but only improving features & feature of items.
- Product are modified according to change of environment and demand of customers.

Line Featurizing

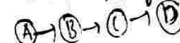
- Composing varieties of high price and low price.
- High value/price product define brand status, prestige but low price attracts price sensitive buyers.

Line expansion

- Adding new items on existing line
- suitable to growth and maturing stage of life cycle.

Line stretching

- Adding new items beyond price level/range of existing item.
- Trading up
- Adding new items of high price and value than existing items



Line contraction

- Reducing items from line or sum.
- Suitable in decline stage of life cycle.

Line Filling

- Adding new items of same price range
- It is offering varieties of same price to discourage competitors.

- Trading Down
- Adding new items of low price or value than existing items



Product Mix Strategy

→ Composition of varieties of different products of some nature/category. It focuses product assortment opportunity to buyer by seller. It is concerned with items which are similar in nature, marketed and distributed by same channel to some customers.

It is concerned with decision about line length, line depth, line width, and line consistency.

Branding

Brand means any mark, signal, symbol, words, letter, colour, and other matter used by manufacturer to differentiate and introduce new products. Branding means system of managing or developing brand identity of product to give unique value in competitive market.

It consists methods, procedures, systems, activities, practices adopted by manufacturer and distributor to give 'brand identity' to product. So, branding means giving brand to products and differentiating it in market from product of competitors.

Qualities of good brand name:-

- Short - legal protection
- Simple - Defining product attributes
- Unique - Adaptable e.t.c.
- Memorable

has

Types of brand

Productive Base

- Individual Brand
- Family Brand

Ownership Based

- Manufacturer brand
- Distributors brand
- Licensed Brand

Objectives of Branding

(1) Objectives to organization

- Customer Retention
 - Brand loyalty ✓
 - Increasing efficiency
 - Promotion
 - Distribution
 - Differentiation
 - Legal Protection ✓
 - Image Building ✓
 - Management of product mix etc.
- Product Positioning ✓
Promotion ✓
Product mix expansion -
efficiency in marketing ✓

(2) Objectives to customers

- Quality Assurance ✓
 - Increase status
 - Differentiation
 - Identification ✓
- Positive and status ✓
Production identity ✓

(3) Objectives of society

- Control of environmental pollution ✓
 - Welfare and well being ✓
 - Donation and charity ✓
 - Event Promotion e.t.c. ✓
- environment ✓

Reasons for and against branding

Reasons for = Objective - - -

Reasons against means limitations such as

- less suitable to agricultural product
- less suitable to agricultural product
- Increase legal issue.
- Increase administrative costs.

- Difficult to differentiate similar / some product
- Expensive for perishable items etc.

Packaging

Packaging means wrapping product by using wrapper or container. It is a system of managing size, looks and quality with protection and safety of product. It is concerned with system of developing container by using paper, plastic, wood, glass, clothes and containing product.

Packaging can be of following types:-

- Unit packaging
- Family packaging - some product in one package
- Line packaging - Real juice of Dabur
- Multiple packaging - related product in one package
- Banded packaging - separated package according to weight and size

Levels of packaging:-

- Primary packaging (Single layer of wrapper)
- Secondary packaging (Two or more layers of wrapper)
- Shipping packaging (Using containers and boxes to facilitate distribution)

Qualities of good packaging

- Durable
- Eco-friendly
- Attractive
- Economical
- Communicative
- Easy to carry
- Easy to open
- Reusable
- Disposable
-

Functions of Packaging

- Containment
- Communication
- Storage
- Distribution
- Product differentiation
- Supportive for leveling labelling.

Labelling

Labelling means defining product information on wrapper or writing detail of product and company on wrapper or container. It can be defined as a tag attached with product or a bar code used by manufacturers on product. It gives information about name of manufacturer, manufacturer date, expiry date, quantity, using method, necessary precautions, chemical composition, maximum retail price.

Types of label

- Brand label
- Grade label
- Descriptive label

Functions of labelling

- Promotion
- Differentiation
- Information

Service product

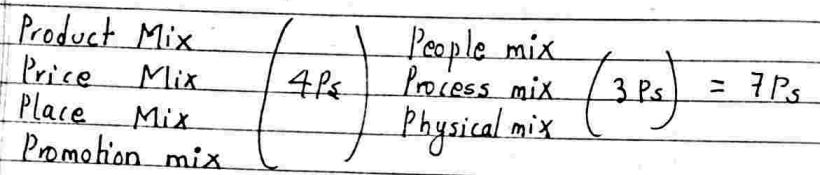
Service means any kind of art or performance offered by one party to another party for fulfilling needs, wants and preferences.

- Service product means product which is intangible, variable, inseparable in nature and it is perishable (cannot be stored for future) to buyer.

Types of service

- (i) People based/equipment based
- (ii) Personal and business
- (iii) Profit motive or not for profit
- (iv) Client presence and client absence.

Service marketing mix (7Ps)



People mix - It provides quality, skills, knowledge, competencies, abilities, professionalism of service provider.

Process mix - It focuses way, method, systems, procedures offering service to client.

Physical mix - It highlights infrastructure as well as layout of place where services are offered to client.

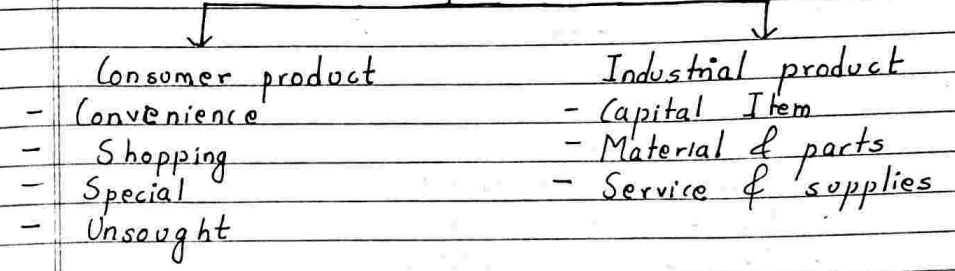


New product development Process:-

- (a) Idea generation
- (b) Idea screening
- (c) Concept development and testing

- (d) Business analysis and marketing strategy } HTW
- (e) Product development
- (f) Test Marketing
- (g) Commercialization.

Types of product



Types of new product

- Innovative
- Imitated
- Modified

Reason for new Product failure

- High price
- Inappropriate design
- Low quality
- Wrong time of distribution
- Poor promotion
- Poor distribution
- Unhealthy competition
- Change in government policy and legal factors etc.

Ch-3

Environmental concept of Marketing

Meaning of marketing env

Features " " "

Types

Misc Misc

Environmental impact on Marketing

CAP-1 Copy
Mgmt → Marketing
Internal → Misc
External → Macro

① Positive Impact

- Goal Achievement
- New market opportunities
- Availability of new resources
- Environmental adaptation
- Effective plan and strategy

② Negative Impact

- Political challenges
- Legal challenges
- Socio-cultural challenges
- Economic challenges
- Environmental challenges
- Technological challenges

Business Communication

Business communication is a system of exchanging business messages as well as economic information related to business. It is encoding business messages and transmitting to related parties in day to day operation. Business commⁿ is obtaining business information, converting them into documents or messages like report, memo, proposal, notice, advertisement etc. and sharing such information to concerned receivers. It is also concerned with the system of managing meeting, seminar, presentation, managing, negotiation, documentation etc. So, Business communication is a process of developing and exchanging business documents, information and economic transactions with concerned parties.

Roles of BC are:

- Writing notice, report, proposal etc.
- Guideline in conducting seminar, meeting and discussion.
- Exchange of business information.
- Promotion of product.
- Fulfillment of moral and ethical standards.
- Business planning and decision making
- Mgmt of team and group.
- Fulfillment of corporate social responsibility.
- Effective cross cultural communication.
- Mgmt of workforce diversity
- Effective employment comm.
- Knowledge about non-verbal communication and application in business.
- Application of technologic changes in business operation.

- Writing notice, agenda and minute etc.

Chapter - 1

Workplace communication

(a) Management of Interpersonal Communication

Meanings -

Barriers -

Books

Barriers of Interpersonal commⁿ can be managed by following techniques.

- (i) Good communicators must examine problems related to encoding, transmitting, decoding etc.
- (ii) Know about receiver in detail.
- (iii) Use single meaning words and complete sentence.
- (iv) Know about frame of reference of receiver.
- (v) Use your language.
- (vi) Mgmt of information overload.
- (vii) Apply "KISS" principle in commⁿ (Keep it short and simple).
- (viii) Control noise or move to an area where you can communicate effectively.
- (ix) Control physiological problems.
- (x) Manage regular practise for increasing language.

Meanings are in the context:- Explain.

⇒ Bypassing

skill-

- (xi) use latest development of information technology
- (xii) Develop environment of trust
- (xiv) Consider context while exchanging message.

Management of Information flow (channel of commⁿ)

- (1) Managing formal channel flow
 - (a) Upward channel
- (2) Managing formal channel flow
 - " Informal "

Management of Information Overload

Information means overload means flow of too many messages at a time, flow of too lengthy message and flow of short but complex messages to receiver. It increases stress in the mind of receiver and problem in decoding of message. Information overload consumes maximum time of manager in day to day practice as a result productivity of orgⁿ may be decreased and receiver's interest in commⁿ may be declined of present. It is a major problem to all professionals and managers due to change in information technology. It can be managed by,

- Receiving and replying telephone calls and messages by personal secretary.
- using separate contact number and email address for official and personal use.

- Use latest development of IT.
- Using software to block and sort messages according to nature.
- Avoiding unnecessary replies.
- Replying only business messages at office hour.
- Receiving messages online but answering them in offline of receiver.
- Pinning long messages to read in future.
- Relating either all or less important messages from inbox folder.
- Encouraging short and written messages.
- Allocating specific hours of a day to visit with visitors.

Ethics in Communication

Ethics is concerned within individual character, personal principles, individually accepted code of conduct and ability to decide what is right and what is wrong in the given situation.

Ethics in comⁿ means applying ethical standard in exchanging messages. It is giving authentic message, using proper channel, understanding and respecting receiver's feeling and emotion etc.

Business ethics means code of conduct of business, business standards and systems, guidelines of business to decide what is right and what is wrong in functioning business activities.

Ethics in business communication means exchanging business information ethically and applying ethical standards while encoding

and decoding messages of business. It is sharing right message and information to stakeholders. Unethical business communicators say or do anything for achieving business goal but ethical business communicators believe in worthy messages and they analyse the impact of each messages in society community and in the life of stakeholders of business.

Common unethical activities are:-

- (i) Internal unethical activities
- Lack of punctuality
 - Not complying rules
 - Unequal behavior
 - Unequal facilities and opportunities
 - Unnecessary gossiping
 - Sexual harassment
 - Workplace
 - Creating up incidents
 - Low quality etc.

- (ii) External unethical activities.
- False advertising
 - Unhealthy competition
 - Lying to customers
 - Alluring numbers and figures.
 - Not complying social standards.
 - Taking credit of others ideas.
 - Lying about sick days to others etc.

There are certain ethical traps that create problems in maintaining ethics like:-

(i) False necessity trap.

People are doing unethical work on the belief that they are doing right. No options, should consider and accept that it's right.

(ii) Self deception trap.

We have to tell good about yourself yourself. Evaluators, appreciation of their own. dist^r will get impressed.

(iii) Rationalization trap.

We know speaker is wrong but we can't take decision against the speaker. But just for the sake of harmony you have them.

(iv) Distance of relative fifth trap.

We are doing unethical work but when we say it to others it seems to be good. It happens when we interact with the one who's more worse than us.

(v) End justify the means trap.

Resources are not available that is why we need to be come unethical. But we actually are ethical.

Business Communication Goals

- Telling the truth
- Giving credit to other
- Labelling opinion
- Communicating clearly
- Being purposeful

Tips for doing ethical things

- maintain transparency and accountability
- Try to understand others feeling and emotion.

Sources of ethics / factors affecting ethics

- Social standards
- Prestige and status
- Culture of orgⁿ
- Family
- Activities of superior and peers
- Legal standards
- Level of knowledge
- Genetic inheritance

Success in new work place man.

Examining comⁿ process

Organizational comⁿ

Communicating in team and Group

(A) Agenda, notice meeting and minute.

Agenda

Agenda is a written statement and document to give information and messages about meeting matters as well as activities. It is telling about date, time, place of meeting to be held with issues or subject matters to be discussed in meeting to selected participants. Agenda is a master plan of meeting activities from first to last in which all activities to be done are defined in a sequential order with importance and allotment in a sequential order with importance and allotment of proposed time and discussion. It ensures that there are certain issues or problems to be solved/settled is prepared and forwarded to selected participants individually. It can be defined as:-

- - - - - org
 - - - - - meeting Agenda
 - Date of meeting - - - - -
 - Time of meeting - - - - -
 - Place of meeting - - - - -
-) look at last

- (i) Call to order / Roll
- (ii) Approval of minute of previous meeting
- (iii) Approval of agenda items of this meeting
- (iv) Chairman's welcome speech
- - - - -
- - - - -
- - - - -
- (ix) Miscellaneous

Notice

- Notice is written document issued by the firm for informing about meeting, activities and for inviting members to join meeting. It is notifying about date, time & place of meeting to be held with issue/matters to be discussed in meeting. Notice pad requires letter head/letter pad of organization, date of issue, company seal & signature of issuer. Notice is a common document which is either attached on notice board or circulated from any media to communicate to targeted party. Notice should be given to participants at least before 2 days from the date of meeting (not applicable in AGM & emergency) because it is preparing the participants to be prepared for presentation.

Notice can be defined as.

- - - - - (Company letter heads)
- - - - - (Format with name, address)

Dragon Not Ltd
Registered Firm

Notice

Date of Issue - - - - -
 Notice Number - - - - -
 This is to notify that the - - - - - meeting of this organization will be held on - - - - - in - - - - - to discuss about following issues:

i/
ii/
iii/
iv/
We expect of presence and valuable ideas in solving such problems.

Thank You
 - - - - -
 (Issuer Signature)

Meeting

Meeting means any type of planned discussion among invited members to identify best solution of problems and issue. Meeting means that type of discussion program in which members discuss their ideas, opinions, news and experience among each other under chairmanship and control of chairperson. It is pooling information to solve problem.

Effective meeting means active role of chairperson, active participation of members, fulfillment of quorum, discussion on authentic and valid agenda, solution oriented discussion, decision on mutual satisfaction of members, meeting on time, minute of meeting etc.

Planning and conducting effective meeting consists following steps:

- i/ Know validity of meeting
- ii/ Selecting participants
- iii/ Giving notice
- iv/ Getting the meeting started
- v/ Moving the meeting alone.
- vi/ Dealing with conflict
- vii/ Ending with plan
- viii/ Follow up

Minute Writing

Minute is written document or statement in which meeting design are recorded by mgmt for future and legal purpose. Minute is a register and minuting is a process of recording decisions as well as noting down resolutions taken by meeting. It gives authenticity to meeting decisions. Unless meeting decision are made, the meeting will not bear any meeting meaning. It records date, time and place of meeting held matter discussed and decisions taken by participants. Minute is written by member secretary and duly signed by chairperson other participants. Minute consists three parts:-

- Preliminary data (time, place and date of meeting held)
- Matters discussed and decisions taken
- Signature of participants.

----- sign ----- last
----- meeting ~~minute~~ minute

meeting of ----- sign held on ----- at ----- in -----
under chair membership of Mr/Ms/Mrs ----- and
following decisions were taken.
Presented members

- i/ name of board members
- ii/ or presented members
- iii/ based on seniority of post

Invited guests

- i/ Name and
- ii/ signature

Preliminaries:-

- i/ Quorum was fulfilled
- ii/ Agenda items were approved

- (iii) Mr / Ms / Mrs - - - chaired the meeting.
- (iv) Permission granted by chairperson etc.

Decision taken



(Chairman)

Conflict Resolution

Conflict means any type of dispute among members while ~~pre~~ taking decision, while taking deciding any issue. It focuses the disagreement of members in selecting best solution. It is that type of condition or situation in which members feel that they are in opposition of each other in terms of their views and opinions about any topic. Conflict is a natural outcome as well as behavioural result. If there are two or more members, there may be conflict.

Conflict can be of two types:

- (i) Functional / Ideological / Cognitive conflict
 - It is related to any issue, topic or problem of organization and administration.
 - It is based on norms, principles, fundamental values, social standards, values of society & knowledge.
 - It focuses use of words in decision making. So, it is useful to sign.
 - It is conflict within group that leads to

- positive result.
- Individuals in a group discuss point of disagreement with a spirit of collaboration.
- It is analytical thinking and discussion about decision alternative.

Benefit of conflict / Junctional / Functional conflicts are

- Competitive environment
- Effective decision
- Increase source of ideas and information
- Overcoming resistance to change.
- Effective use of resource and authority
- Cohesiveness among members.
- Learning opportunities
- Increase communication skill
- Opportunity to understand other members
- Easy to understand highlight the problem
- Increase mgmt effectiveness etc.

(ii) Dysfunctional conflict / Affective conflict

- It is not related to official or administrative issues but related to personal relation, ego, personality, life style of one member.
- It focuses personality clashes in team member.
- It is always harmful to organization.
- It only entertains limited member and fulfills their interest.

Conflict resolution

- It is solving conflict and managing settlement of conflict as well as solution of conflict by satisfying all parties and members.

It focuses mutually a. satisfactory outcome of the conflict among conflicting parties that leads cooperation, coordination and mutual understanding among all.

- It is identifying underlined reasons of conflict and managing eliminating them from the list.
- It is solving conflict objectively, systematically, flexibly and effectively for obtaining best solution in satisfaction of both parties.

Conflict resolution consists following techniques / ways / methods etc.

≡ } 14 points
≡ } from book pg. 45.

(xv) Use strategic management to conflict management

- (a) Avoidance
- (b) Defusion
- (c) Containment
- (d) Confrontation

(xi) Use different instruments of conflict mgmt

- (a) Negotiation
- (b) Mediation
- (c) Reconciliation
- (d) Arbitration

(j) Team and group management

Group

Advantage of Team and group

- Effective decision
- Better use of resources
- Creative ideas
- New environmental opportunities
- Learning environment
- Competitiveness in orgⁿ
- Reduce work load of top level
- Collective achievement
- Employee motivation etc

Dis-advantages

- Delay in decision
- Expensive
- Groupism
- Free riders in decision making
- Hidden agenda
- Cultural clashes
- loss of personal quality etc.

Reasons of joining team and group

- Safety
- Status
- Affiliation
- Collective achievement
- Fulfillment of social needs
- Learning opportunities etc.

Individual

↓
Loss to an individual member

- loss of personal quality
- loss of " identity
- " " opportunity cost

- loss of respect and dignity
- conflict with others
- chances of increasing ego with others etc.

Team development stages

- (i) Forming
- (ii) Storming
- (iii) Norming
- (iv) Performing

Q. How to manage team and group problems?

Role of an individual in team & group

Listening skills:-

distending means getting meaning from hearing & hearing is sensing any sound of environment or choosing sound to hear by our ears but listening is more than that. It requires focus, interest, effort and concentration of listener to listen message. distending is an deliberate effort of listener to obtain meaning from environmental sounds. It is a process of sensing, evaluation, interpreting and applying into action.

distending skill is concerned with ~~qualit~~ qualities, abilities, competencies of listener to listen message to analyse message etc. It is the quality to manage listening environment to understand meaning, to retain understanding over period of time to know speaker's feeling and emotion to manage various of listening process etc.

Steps of listening are:-

- (i) Perception
- (ii) Interpretation

(iii) Evaluation

(iv) Action.

(i) Perception

- Sensing sound
- Hearing sound through our ears
- Choosing any sound to hear

(ii) Interpretation - Decoding sound to know meaning
- Understanding message.

(iii) Evaluation :- Analysing merits and demerits of such sound & impact
- Developing conclusion & opinion by listener
- About speaker's message

(iv) Action - Either responding to speaker immediately or string for give reference & response
- feedback of listener to speaker.

Poor listening habit / Don't of good listener

- (1) lag time
- (2) Negative non-verbal activities
- (3) Day dreaming
- (4) reading noise

Barnes Addⁿ Pg 32

→ listener's appearance } in case of group listeners.
→ listener's manners

Tips for better listening 'Do's of good listening.'

Ch-3 / Communicating across culture

(A) Non-verbal communication

Non-verbal communication means communication without words, sentence and grammar rules but with signals, symbols and physical activities from sender to receiver.

- It includes certain behavior like eye contact, facial expression, posture, gesture, use of time, space, wearing of dress, silence etc.
- It involves conscious and unconscious encoding and decoding of messages in which sender encodes messages by using signals, physical activities and receiver decodes messages by understanding meaning of such messages.

Features

- Universal
- unique
- Physical
- More meaning than words
- Unedited form
- Expression of feeling and emotion
- Supportive for verbal communication.

Benefits

- Economy
- Quick
- More meaning than words
- Supportive for verbal communication
- Expression of feeling and emotion
- Development of attachment

- Suitable if there are no words to speak verbally
- Understanding of behaviour, attitude
- Easy to analyse incongruent behaviour.
- Easy to maintain

Forms / Cues / Dimensions

- (i) Silence
- (ii) Space language
- (iii) Time language
- (iv) Environment
- (v) Paralanguage
- (vi) Artificial language
- (vii) Body language (posture, gesture, kinesics)
- (viii) Graphic language
- (ix) Color language
- (x) Eye contact
- (xi) Facial expression
- (xii) Touch language.

Culture

① Culture means a set of norms, values, beliefs, standards, systems, practices etc followed by members as well as adopted by members of organization in their behaviours. It focuses some of traditions, rituals, ceremonies accepted by members since long ago. It is the system of adjusting with people, socialising with people and society. So, it is an identity of members. Culture can be defined as ways of life through which people define themselves, define the whole world and try to adjust with such changes for their better living.

Features

- Identity
- Dynamic
- Inherently logical
- Visible and invisible
- Learned behaviour etc.

Corporate culture:-

Corporate culture means set of norms, values, standards, beliefs of organization to control, guide and direct behavior of people of organization in goal achievement process. It explains how members feel, act, behave, how they interact and react, how they deal with others, how decision are taken and implemented in organization etc. It focuses provision of respect, obedience, corporate ethics, corporate governance etc. It is organizational identity and uniqueness compared to competitors of an industry. So, corporate culture is a

term used to define organizational uniqueness, value, systems and practices that provide a company it's own unique flavour and strength compared to others.

Strong and Work Culture

Strong culture

- High level impact of culture on behaviour of people
- All members follow culture
- Acceptance of any change
- It encourages creative ideas.
- It requires normal rules and regulations in organizations
- Members willingly follow culture etc.

Weak culture

- less impact of culture on behaviour of people
- culture is not totally followed by member
- changes are not easily accepted
- creativity is discouraged
- It requires strong, strict, tight rules and regulations
- Behaviour of member is not affected by culture etc.

Dimensions of Culture :-

Workforce diversity

Chapter - 4

Employment Communication

(A) Preparing for employment

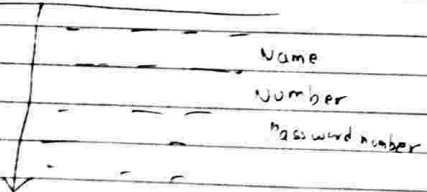
Writing Resume

Resume → professional level

CV → Research purpose,

Bio data → no experience, just completed college, all information included

Resume



Gold Intelline → Career objective ✓

Post / Achievement / Experience ✓
→ extra line fixed

Current job first.

Other's job depending order with date
not other's than the post related (not to be disclosed)

Education

date of degree first.

(No table needed)

Date
Page No.

Dear sir ⇒ known person → sir to Whome you know
Sincerely → . . . whome you don't know.

Date
Page No.

Skills / Training

Achievement / Award

Only job and study related (Best employee, best study only)

Involvement

INGOS, NGOs, Sraet, Association (Not Political party)

Reference

If any body wants to know about you.

previous place manager's number.

Principles, M.D's of previous workplace, study place.

Writing cover letter

----- Sender's Address

----- → One line gap

----- Date

----- → Gap

----- → (Receiver details)
Address
Post

----- → Subject (This is optional)

----- → (Salutation)

----- → leave one line

----- (First short paragraph of one/two line)

----- → Gap

----- (Second para of 8 to 10 lines)
----- (It is the main body of letter)

----- (Third para of 2-3 lines)
----- closing para

Yours sincerely + (Signature) Dear sir

1st paragraph.

Solicited job ⇒ Vacancy खुलेके तबेसत apply करेते सते।

1st para → कहते बरत घरे घयो। vacancy where

Unsolicited job ⇒ Vancy खुलेके दिन BUT mai chance dinu है। that is unsolicited.

2nd para → why are you the best candidate?

I've worked here, qualities due to which I am different from other,

3rd para → polite interest for invitation.

Job interview

→ Interviewer ⇒ weakness

→ interviewee ⇒ strength

presentation, speaking,

Writing follow up letter

(a) Job application / Resume follow-up

Once application letter is sent ⇒ resume sent but no reply, no response
⇒ or if information is changed

Other same

1st paragraph पत्रके लेतेर when sent
→ केर post

2nd para ⇒ purpose of writing
⇒ while पत्रके तबेसत करेते।

3rd para ⇒ Appeal for interview / ready to answer your questions.

(b) Interview follow up letter

Giving necessary thank to interviewers.

3 para what to write?

1st para ⇒ .When was i
where

For which post interview was held.

2nd para ⇒ Purpose of writing / giving necessary thanks to interviewers.
(Face should be reflected in our letter)
bits and words to be known easily. / topic discussed in interview.

3rd para ⇒ I am positive about the result. when will it be published.

(c) Rejection Follow up letter.

1st ⇒ Result when published. I was not selected / not happy / company's decision I respect.
(It is going to be a bit long)

2nd ⇒ what is my mistake. Reason behind my rejection

3rd ⇒ I will resolve my mistake, I'll be waiting for my vacation of this company.

Remind Reminding letter

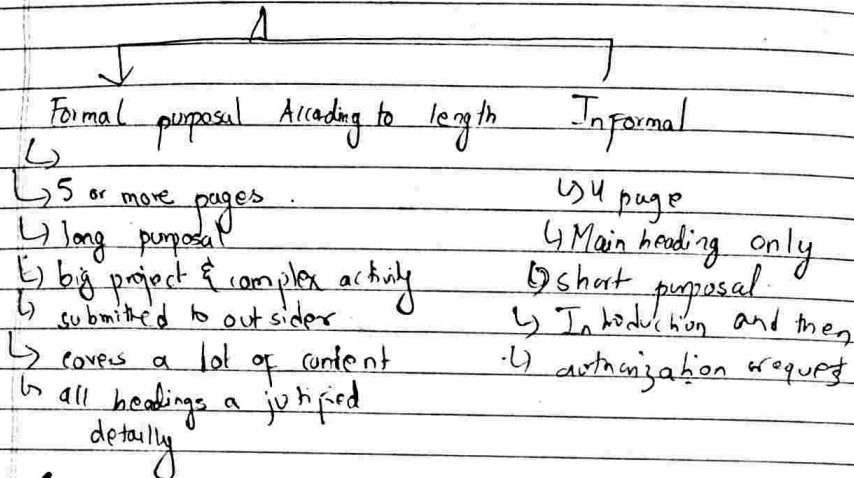
installment date crossed
bank to client or client to bank
letter is sent.

Writing Report and Proposal

Proposal writing

दो तरीके
मा ब्यवहार

- Solicited unsolicited → 125-
- Proposal → 114-
→ 119



Components of formal proposal

- Copy of request for proposal RFP - in case of solicited
- Letter of transmittal → proposal joshi ho kesi aur kesi aur sth letter likhe
- Executive summary or abstract → proposal ki highlight k ho to?
- Title page → proposal ki heading ki sth → submitted to
- Table of contents
- List of figures
- Introduction → (कारण) problem ki aur Intro. main bure - 10 ss
- Background of problem and purpose → Detail of problem
- Proposal plan schedule
- Staffing

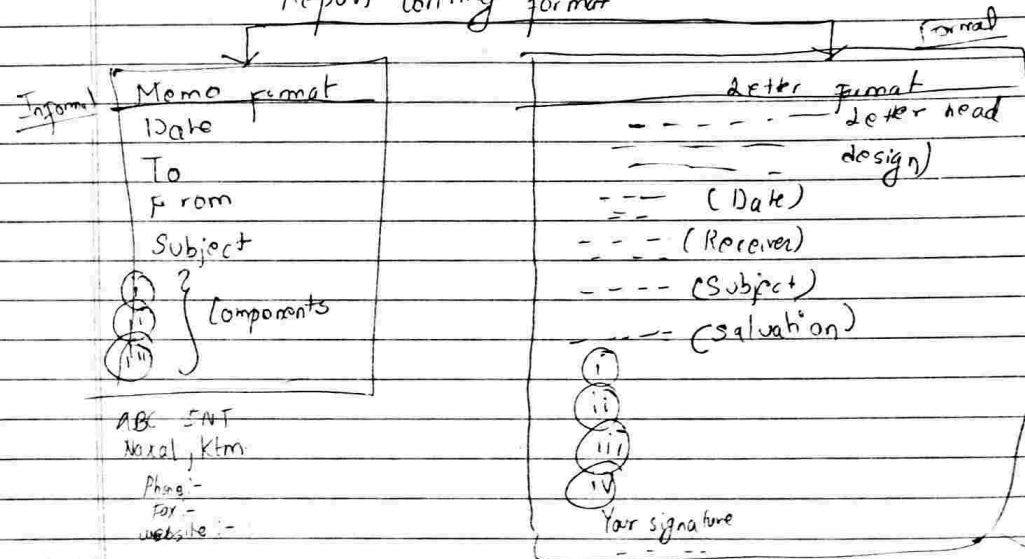
- Budgeting
- Authorization request
- Appendix

Report

Report writing process

- Defining problem and purpose statement
- Anticipating audience and issues.
- Dev work plan
- Data collection
- Data documenting
- Data analysis and integration
- Organizing information

Report writing format



No. DL
Date

Assume that you are sales officer in ABC limited since six months. Now write a monthly sales report for the month of Jan 2018 by using memo format to submit to your finance manager Mr. Am. Sh.

Qno Assume that you are thinking about purchase of 50 set laptop for your ^{company} to replace ~~and~~ traditional accounting system into computerized system. Your Boss asked you to go market and. Submit the report with recommendation of best brand. Now write a report to your boss by comparing any three laptop brands based on common five criteria of evaluation.

Qno:- Assume that you are human resource consultant and your client is asking you about best way program for managing employee welfare and motivation. Now write a report to your client for recommending best program with its advantage and disadvantages.

(B) Situational Report

Qno:- Assume that you have been recently participated in picnic program organized by your organization for 2 days (Jan 25 and 26) in the ~~location~~ "Skuteo Beach" resort, Sarpalchowk, Nepal with training for increasing leadership qualities on employees. Now write a report for submitting to your boss by describing overall achievement and attractions.

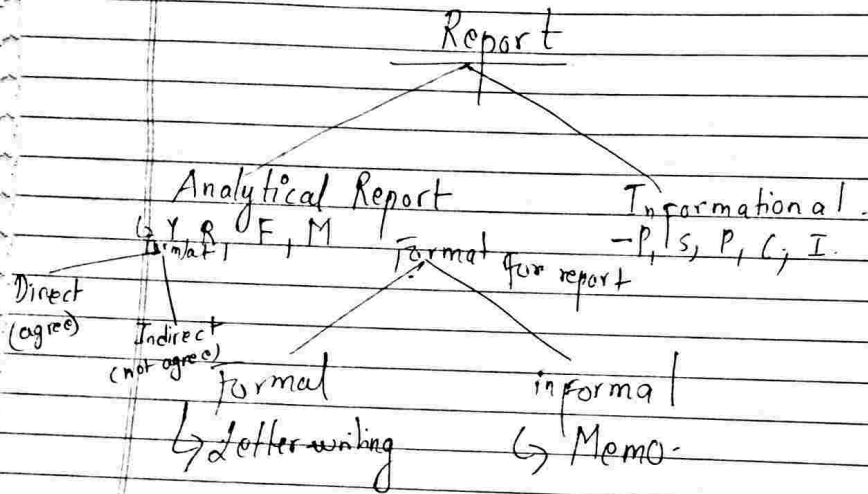
Qno:- Assume that you are general manager of ABC hydropower Ltd which is under construction since 1 year in Baski district, Nepal. Now, write a report to Ministry of Finance, GOV for managing budget by defining work completed, work on progress, estimated time and budget for completion etc.

Memo
cannot
be
used

- (i) Periodic report
- (ii) Situational report
- (iii) Progress report
- (iv) Compliance
- (v) Investigation

(*) Analytical Report
= } Page 112
= }

- (A) Yardstick report
- (B) Recommendation and justification report
- (C) Feasibility study / report
- (D) Market research



Meeting minute of AGM

Today's Date _____
Meeting Date _____