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1. **a) Differentiate consumer buyer behavior from business buyer behavior.**

> Consumer purchases typically involve an individual decision maker in a single-step transaction. Compared with consumer decision making, business buying behavior is characterized by a formal multi-step process conducted professionally over a period of time, involving many people interacting within a formal organization.

Consumer marketing is aimed at a mass market and doesn't require deep knowledge of the product or supplier to make a purchase decision. Business buyers are comparatively more sophisticated and educated than consumers. The business customer has years of training in his or her field and often knows more about the product and its application than the B2B marketer.

The expertise of business buyers falls into two categories: buying process or technical expertise. Procurement managers are buying experts whose sole function is to procure products and services on behalf of the company. Technical experts and users possess a strong understanding and interest in the problem to be solved and the product being marketed as the solution. And throughout the sales process business buyers continue to learn about a supplier's cost structures, production methods, development expertise and financial viability.

b**) Explain the types of buying decision behavior with appropriate example.**

> Generally speaking, there are different consumer buying behaviors, which can be categorized in the following:

1. Extended Decision-Making

Extended Decision-Making occurs when consumers are buying a rather expensive product.

What do you do when thinking about purchasing a designer handbag for a four-figure price? Of course, you spend some time doing in-depth research about the handbag, before making your final purchase decision. Since it is a high-end handbag, the economic risk of buying it is much higher than if you would buy an average bag.

Simply put, you would not necessarily purchase a designer fashion item on a daily basis. Therefore you spend more time evaluating the looks and the use of the product, and how you will feel about it after purchasing it. You might even ask your family and friends for advice, or read product reviews online before committing to investing.

2. Limited Decision-Making

Speaking of Limited Decision-Making, consumers are faced with limited decision making. This essentially means that there is a limiting variety or availability of this product on the market.

For example, you really fancy this pair of sunglasses with white frames and yellow-tinted lenses. However, there are only two brands out there that offer this style of sunglasses. Brand “X” offers their sunglasses for 195,-. Yes, that is a lot for a single pair of sunglasses. But the other sunglasses available, by the brand “Z”, costs 365,-, which is far more expensive than those sold by brand “X”.

Since you do not have a lot of options (and because you desperately want to own this stylish pair of sunglasses with yellow-tinted lenses), you decide to spend your money on brand “X” anyway, if you have the budget, of course (even though they are pretty expensive).

3. Habitual Buying Behavior

Habitual Buying Behavior plays a big role in our daily routine. We do not put a lot of thought or research into buying a product that is incredibly cheap and available in masses, at the same time.

For instance, you frequently buy a new pair of socks. Either because you always misplace them or because you always end up having holes in them. What you do is, you continue buying the one pair of socks that costs the least amount of money, since you keep running out of socks. It has literally become a habit of yours.

4. Variety-Seeking Buying Behavior

You display this type of purchase behavior when there are visible differences between a products within the existing brands. You, as a consumer, might want to try out a similar product of various brands out of curiosity.

To give you a concrete example, you may feel the urge to buy a plain, white t-shirt in slightly different designs at multiple stores. Just because you might not want to wear the exact same white t-shirt every day - you want to switch things up every now and then. The t-shirt is very affordable at all places, so buying 3 or 5 of them should not be a problem at all.

2. **Explain the business buying process, as you are a buyer.**

> Here, you'll find eight major steps of the business buying process. Usually, a new buyer goes through these stages. Buyers may make straight, modified, contrast purchasing decisions. Now, we're going to examine these eight stages.

1. Problem recognition: The buying starts when a person recognizes a problem or need. He wants a product that can meet this need. This is called problem reorganization. This can result from internal or external factors. Internally, a company decides to launch a new product. To do this, a company needs new raw materials, equipment, extra labor and capital, new suppliers, and selects a person as a manager who will look after the whole production.
But externally, buyers may have some new experiences after watching TV ads or sales calls, product reviews, or offering a lower price. In showing advertising, marketers want

to alert customers about the problem and after then they also show how their products solve the problem.

2. General needs description: After recognizing a need, general needs description is the next step. It describes the characteristics and quality of the items. The expert team tries to improve durability, price, reliability, core value, and other attributes.

3. Product specification: Next the organization develops product specifications with the help of an engineering team. Cost reduction is an important issue in this product specification. That's why the team carefully redesigned, standardized or adopts less costly methods and decides the best characteristics of the product.

4. Supplier search: In this stage, a buyer wants the best supplier. Buyers can make a short list of qualified suppliers, search on Google, and watch a review on YouTube, by contracting them. Today, Internet technology brings a revolutionary change in finding information. Small suppliers also get facilities having internet.

5. Proposal solicitation: In this stage, the buyer invites qualified suppliers to submit their proposals. Some suppliers offer their sample of the product to the buyer; refer to their websites or promotional materials. If the product is expensive then the suppliers show a presentation of their product.

6. Supplier selection: Here, the buyer reviews the supplier's proposals and selects the best one among them. In this selection, the members make a list of desired supplier attributes and their importance. These attributes are product quality, images, reputation, delivery systems, ethical corporate behavior, honesty, and competitive prices. Then the buyer rates all suppliers and chooses the best one.

7. Order-routine specification: In this business buying process, the buyer prepares a formal written order for the chosen suppliers. It is known as an order-routine specification. This routine order contains technical specifications, quantity, quality, delivery time, return policies, warranties, maintenance, repair, operation, etc.

8. Performance review: Here, the buyer reviews the supplier's whole performance. The buyer asks their users about the products and services and requests them to rate their satisfaction. The performance review helps the buyer to take any decision to continue the business or modify or drop. The seller ensures the buyer about the expected satisfaction.

In all, this is a simple view of the eight stages of the business buying process. However, the real process is much more complex than this one. Straight re-buy, modified re-buy, new task, in contrast, buying situation has unique requirements.

3. a) Define Segmentation. How you can explain market targeting strategies?

> In marketing, market segmentation is the process of dividing a broad consumer or business market, normally consisting of existing and potential customers, into sub-groups of consumers based on some type of shared characteristics.

A market is segmented using age, gender, income, education, lifecycle, social status, social class and many more. After identifying segmentation few segments are selected to reach target customers. This process of evaluating and selecting market segments is known as market targeting.

There are two steps of market targeting process, the first step is to evaluate market segmentation and select those segments that suit the business. In the second step, marketers select appropriate market targeting strategies.

Step1. Evaluation Market Segments

The market targeting process involves assessing those segments marketers already identified in the market segmentation. But when we talk about evaluating market segments, it is based on certain criteria. Business owners and marketers must answer these questions while assessing the market segments.

- What are the sizes of the segments I am looking for?
- What are the demographics of identified segments?
- What is the competition level of each segment?
- What is the growth potential in the segments?

- What segments can help to achieve company goals?
- How to best utilize company resources pursuing the segments?

These are not the only questions. The questions may vary according to industry, business nature and the depth of research you conducted.

Step 2. Market Targeting Strategies

In todays' business environment every business needs market targeting strategies. Targeting the right market is very important. Here we will discuss four types of market targeting strategies with examples.

Undifferentiated Market Targeting

Undifferentiated market targeting strategy ignores market segmentation and goes after the whole market. This strategy considers buyers as homogeneous group. Undifferentiated marketing is also known as mass marketing. In this strategy, companies do not produce different products for different market segments.

This type of marketing strategy relies on mass distribution and mass advertising. Companies aim to create superior image of the product in the minds of consumers. Company use this strategy to appeal a wider audience based on common customer needs and wants other than differentiated and concentrated strategies.

It has a narrow product line which leads to low advertising cost. Lack of segment marketing reduces the costs of marketing research.

<u>Example</u>

Henry Ford adopted undifferentiated marketing strategy for T Ford Model. This model was available in only black color in 1930s. Another example of undifferentiated strategy is Hershey Company, few years back they have only one chocolate candy bar for all.

Differentiated Market Targeting

In Differentiated market targeting strategy, a company opt to target multiple market segments and design different and effective marketing mix for each market segment.

A Differentiated market targeting approach is likely to create more sales than does undifferentiated marketing. But due to distinct marketing mix, the promotion cost also increases. The increasing sales must be weighed with increasing costs.
Number of different companies adopted differentiated marketing strategies. For example, the segmentation of Unilever generates more sales by achieving higher market share through various detergent brands which they could not with just one brand.

Example

Another example is McDonalds, they have developed unique menus for local consumers in many countries of the world. In India McDonald create a unique menu for local consumers i.e. the McCurry Pan which a vegetarian dish. The Indian version of Big Mac is called the Maharaja Mac "the Social Burger" make with grilled chicken, tomatoes and onions. Both products are according to the Indian religious sensitivities as beef is not consumed.

Concentrated Market Targeting

In concentrated / niche market targeting strategy, resources are focused and target specific market segments. Concentrated marketing strategies are effective for those small companies having limited resources. Due to focused strategy they can perform better compare to large businesses.
Due to better knowledge of specific segment's needs, company can achieve a higher market position. If company choose the right segment at the right time, it can achieve lucrative rate of return on investment.

Examples

Pizza Hut successfully developed database of 9 million pizza lovers' customers. By using this database, Pizza Hut developed target market campaigns to reach its consumers.

Micromarketing Market Targeting

Micromarketing strategy involves developing products, services and marketing programs best match with individuals and locations. Small business owners can use micromarketing strategy to target customers at personal level. Micromarketing includes local marketing and individuals marketing.

<u>Example</u>

A good market targeting examples is Citibank, it offers different services on branch level based on neighborhood demographics. Walmart and Sears Store customizes its inventory and promotion to meet the requirements of specific clients.

Individual marketing examples include hotel industry, clothing, and furniture and bicycle industry. This strategy is based on the preferences on individual's customers.

Whether a company, business owner or marketer, you should evaluate and target the market very carefully and effectively. Market targeting strategies are designed to promote a brand or resonate a message to target audience. Evaluate market segments and select target market according to your overall business objectives and plans.

b) Explain buzz marketing and Co-branding with examples.

> Buzz Marketing

Buzz marketing is a viral marketing technique focused on maximizing the word-of-mouth potential of a campaign or product. These strategies can spur conversations among consumers' family and friends or larger-scale discussions on social media platforms. By getting consumers talking about their products and services, companies that employ buzz marketing hope to grow awareness through more online traffic and increase sales and profits.

A buzz marketing example would be if a company promoted its product through a show or stunt where consumers can try the product and share their experiences through everyday conversation or online. Another term for buzz marketing is astroturfing.

Online buzz marketing is typically driven by "influencers." These are early adopters of a product, who are eager to share their thoughts on the product and proactively start conversations about it. These people typically have established online presences and large followings as social media influencers on platforms such as Facebook and Twitter. They possess power and influence over their followers.

Influencers' opinions get noticed more readily and can have a positive effect on product awareness and sales. Marketers aim to rally these influencers to build buzz for their products. Some marketers target people known as connectors. They are big-name personalities and celebrities who can lend instant credibility and exposure to a product. Marketers looking for a large jump in awareness will seek out connectors.

Co-branding

Co-branding is a marketing strategy that utilizes multiple brand names on a good or service as part of a strategic alliance. Also known as a brand partnership, co-branding encompasses several different types of branding collaborations, typically involving the brands of at least two companies. Each brand in such a strategic alliance contributes its own identity to create a melded brand with the help of unique logos, brand identifiers, and color schemes.

The point of co-branding is to combine the market strength, brand awareness, positive associations, and cachet of two or more brands to compel consumers to pay a greater premium for them. It can also make a product less susceptible to copying by private-label competition.

Example

GoPro doesn't just sell portable cameras, and Red Bull doesn't just sell energy drinks. Instead, both have established themselves as lifestyle brands — in particular, a lifestyle that's action-packed, adventurous, fearless, and usually pretty extreme. These shared values make them a perfect pairing for co-branding campaigns, especially those surrounding action sports.

To make the partnership work, GoPro equips athletes and adventurers from around the world with the tools and funding to capture things like races, stunts, and action sport events on video — from the athlete's perspective. At the same time, Red Bull uses its experience and reputation to run and sponsor these events.

"GoPro camera technology is allowing us to complement the programming by delivering new athlete perspectives that have never been seen before," said Sean Eggert, Red Bull's director of sports marketing. The collaboration allows exclusive GoPro content to enhance both companies' growth.