BA

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Q2. What is the significance of strategic management for an organization? Explain the various steps of strategic management process.

A. Introduction

Strategic management refers to the development of a strategic vision, setting out objectives, formulating and implementing strategies and introducing corrective measures for the deviations (if any) to reach the organization's strategic intent. Strategic management is crucial for organizations if they want to not only survive but be successful. ~~The~~ The significance of strategic management will be discussed in this answer. Moreover, the various steps of the strategic management process will be elaborated on along with a ~~pictoric~~ diagram ~~sh~~ showing all the steps.

Significance of strategic management

Set out clear goals

Strategic management allows organisations to identify what is needed by the firm and ~~and~~ what is lacking. Accordingly, the organization is able to set clear and doable goals that can be achieved. This will enable the organization to become more efficient and not deviate from its course to achieve its goals. For example, if ~~survive~~ the goal or target of the firm is to ~~attain~~ maximize profits, the organization will set price, reduce costs and target customers accordingly.

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Survive changing business environments

Organizations now have the additional challenge of navigating through a dynamic business environment. Due to many factors such as globalization, interconnected international markets, government policies, international trade rules and many more phenomenons, organizations have to take many factors to make sound decisions. In order to formulate a strategy to manage the organization, factors of influence need to be considered. for instance, international price fluctuations, cost of transport and other factors will influence an organization's product's prices among other things.

Watch out for competitors and surpass them

Strategic management will keep an eye out for competitors activities. This will influence the business decisions of the organizations. An ~~front~~ organization will not find it feasible to overcharge or charge a high price for a homogeneous product that the competitors are charging a low price for as this will ~~p~~ push firms to competitors. This will ~~the~~ cause organizations to lose ~~m~~ market share and ultimately result in a loss for the organization.

Promote growth

Strategic management can foster growth of the organization if that is one of the firms objectives. By analyzing the market and assessing demand, supply and trends among ~~othe~~ other things., ~~p~~ strategic management can capture a large market share.

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Strategic Management Process

Strategic management process is an ongoing process of 5 steps which define the ways an organization makes its strategy to achieve its goals. A diagram below ~~to~~ gives a visual cue of the strategic management process

Diagram of strategic management process

Goal setting
↓
Strategic objectives and Analysis
↓
Strategic Formulation
↓
Strategic Implementation
↓
Strategic Evaluation and Control

Goal setting:

This enables organizations to ~~staff~~ clarify their vision. The organization identifies short and long term objectives. second, they identify the process of how to accomplish the objectives. Finally, the process is customized according to the set-up of the organization. Goals are also supposed to be detailed, realistic and match the values of the vision.

Strategic objectives and analysis

The vision and goals should be clearly stated and realistic. Data relevant to achieve the goals should be gathered, potential internal and external factors that can affect the sustainable growth of the organization are examined and SWOT (strength, weaknesses, opportunities and threats) is identified. ~~and~~

Strategic formulation

Once the objectives are identified, keeping these in mind, a strategy is formulated. The plan to acquire the required resources is designed, prioritization of issues facing the organization and strategy is formulated.

Strategic Implementation

After formulation, the employees of the organization are clearly made aware of their roles & responsibilities. Resources are made available at all times to ensure the strategy is implemented.

Strategic Evaluation and control (Monitoring)

The strategy is being implemented according to plan and also evaluated for its effectiveness. Moreover, in case of deviations the strategy is monitored and brought under control when needed.

Interconnectedness of the strategic process

As shown in the diagram, the 5 stages are not stand-alone and impact each other. In order to ensure better management of business the steps need to be evaluated and monitored accordingly.

Conclusion

In conclusion, ~~the~~ strategic ~~manag~~ management is essential for the smooth running of the organization. It sets clear goals for the organization, navigates against the dynamic business environment, takes into account the competitors strategy among other things. Furthermore, strategic management goes through a 5 step process and this impacts the final result of the objectives step. The 5 steps include: goal setting, strategic objectives and analysis, strategic formulation, strategic implementation, and strategic evaluation and control.

Q What are the internal sources of job candidates? How can managers forecast the supply of internal candidate?

A. Introduction

A job candidate is someone who is willing and able to ~~meet~~ keep a specific job. His/her candidacy will depend on multiple factors such as professional qualification, academic qualification and specific skill sets among other things. Job candidates can be from within an organisation and can be done through many ways. This will be discussed in the answer below. Moreover, managers can forecast the supply of internal candidates through ~~v~~ various ways. This will also be discussed in

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this answer.

Internal sources of job candidates

Job candidates are wired from within the firm. This internal recruitment provides the opportunities for the development and utilization of the existing resources with the organization. Moreover, internal sources of job candidates require less effort, is easier and is a familiar territory for the organization.

Transfers of job candidates

Job candidates may be requesting to transfer from one office within the organization to another. Moreover, they may even be looking to switch from one department within the organization to another. For example, a candidate may want to switch his job from marketing to human resources department. Thus, job candidates are employees of the firm that move or transfer ~~vertically~~ within the same organization.

Promotions

A job candidate may want to move vertically upwards in his department. A promotion is an internal means to fill posts at a higher level from within the firm.

Former employees

Job candidates could be employees that have already worked in the firm and thus would constitute as internal ~~recruitment~~ recruitment. Former employees may reapply to their previous firm for another job posting

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or if they would like to come back to the company.

<u>Internal advertisements (Job Posting)</u>

Job candidates can be attracted to apply for ~~po~~ available posts ~~of~~ through internal advertisements. Current employees may view the job post or the advertisement and be motivated to apply. It is open to all employees who are willing and able to apply.

<u>Previous applicants</u>

Previous applicants are those who become part of the company database who have applied to the organization before but for some reason could not join or ~~did~~ were not offered the job. It is an easy and inexpensive way to find employees who were and may probably still be interested in the organization.

<u>Employee referrals</u>

An employee currently working in the organization can refer or suggest people or job applicants he may know personally. For example, an employee may have a friend with the right academic and professional profile. Thus, a source of internal recruitment of a job candidate may be achieved.

<u>~~Some~~ Possible ways to forecast supply of internal candidates</u>

Managers can forecast the supply of internal candidates by looking at some major factors.

Historical trends

Managers can look at how some recruitment strategies have worked in the past and how much activity was generated. They could then forecast how many job candidates they will get based on historical trends and data. For example: if in the past 10 years, referrals led to the most job candidates - this may be the case now.

Size of firm

The ~~capacit~~ size of the firm ~~will~~ can be used to ~~forecast~~ forecast how many job candidates will be available. For example: if the number of employees is less then obviously the internal recruitment will lead to less job candidates.

Type of job

If the job requires special qualifications and specific technical skills, this may result in less job candidates. Moreover, if the job is an entry level position, then more people may apply.

Economic factors

If ~~an economic~~ factors such as unemployment is ~~higher~~ high or inflation is high, more people may apply for better paying jobs.

Conclusion

~~There~~ In conclusion, the internal sources of job candidates include referrals, previous applicants, transfers, and

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promotions etc. These are ways in which job candidates apply or are picked from. ~~More so~~ Furthermore, the internal recruitment can be forecasted by looking at micro-level factors such as size of firm and historical trends. Whereas, macrolevel forecast should be done by looking at economic indicators.

Q. Discuss the advantages and disadvantages of different methods a manager can adopt for effective performance appraisal of employees.

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A. Introduction

Performance appraisal refers to the assessment of an individual's performance in a systematic way. It is a developmental tool used for the all-round development of the employee and the organisation. ~~That a~~ Performance appraisals can be categorized into two broad categories i.e. past-oriented methods and future-oriented methods of job performance appraisals. Each category contains various methods within. For example past-oriented methods contain checklists, rating scales, forced choice method and essay method. On the other hand, future-oriented methods contain psychological appraisals, management by objectives and assessment centres among others. Each method has its own set of advantages and disadvantages which will be discussed under both broad categories and ~~exa~~ some examples under each category will be discussed particularly.

Past-oriented job performance appraisal methods: advantages

~~Advantag~~ Easy comparisons and progress monitoring

Past-oriented methods, as the name suggests, focuses on past figures and qualitative data. This can be used ~~as~~ to compare performance of an employee over a period of time. Managers can look at improvements or where the employee is falling short in order to make sound decisions. Moreover, progress can be monitored and employees can also be compared to each other.

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Reward or punishment: easy decisions

If the performance methods show consistent progress overtime, managers may reward employees. The rewards can be in the form of promotions, transfers, increased monetary stipulations, perks or bonuses. Thus rewards can be monetary or non-monetary depending on employee behaviour and the organization's capability. For instance, if an employee has consistently performed well in rating scales, checklists or performance tests, then a reward is due. On the other hand, if he/she performs poorly in these methods then he may be fired or made redundant or even demoted.

Ways to improve employee performance or correct organizational deficiencies

Through past-oriented methods, employees can be shown their past performance indicators and given a detailed explanation on how and what skills to improve. For instance, in rating skills if employees are ranking low in team work and dependability, they will know that they should target this area specifically. Thus, instead of spending time in trying to figure out why their performance is low, past-oriented methods can pin point areas of weakness that should be improved. Moreover, organizations may also collaborate with employees to improve their culture and environment to facilitate performance improvement.

Past-oriented methods: disadvantages

Metrics may ~~not~~ miss out on important performance criterias

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Past-oriented methods use many different criteria however, they cannot put each and every assessment criteria. This may lead to oversight and performance appraisals may not be applicable or even valid for certain employees. For instance, personal factors such as a death in the employees family or mental health issues may be missed making the method invalid and unreliable.

Manager bias

Managers may be biased towards some employees. Factors such as race, gender, social class and ethnicity may unfortunately, lead to bias and favouritism. This has nothing to technically do with the method itself but may still impact results when assessing employees. For example: when using the essay method, the writer may write favourably for people of his own ethnicity than the others.

Weighed assumptions based on past performance

An employee that has consistently been performing poorly may be marked low even when performance is improved. This is because managers expect these employees to perform worse than others. On the other hand, even when performance is average some employees may be assessed favourably due to their high previous performance.

Table of advantages and disadvantages of past-oriented methods

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Advantages	Disadvantages
① Easy comparisons	① limited assessment criteria
② Progress monitoring	② Manager bias
③ Easy decisions for rewards or punishment based on performance	③ carry forward assumptions of employees instead of assessing present performance
④ Target improvement methods for employees and organization	

Future-oriented methods of performance appraisals

Advantages

Direct approach on future improvement

Instead of looking backwards, managers look to how to improve performance in the future. This sets a clear objectives for the employees of what to achieve in the future and all energy is directed towards that goal. For example: Management by objectives may lead the employees to achieve a set direction on where to channel their efforts to achieve a set objective. Employees can then be judged based on what is expected and what they actually achieve.

Full and complete review of performance

Employees can get feedback for each and every thing related to their performance so they may improve in the future. For example: A 360-Degree feeback will highlight areas of weakness and strengths for the employee. The employee will then work to improve on his weakness to perform better overall.

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Putting employees in situations that mimic ~~their~~ their actual work

Employees can be placed in situations that are similar to how their life would be in the office setting. They could be given specific tasks to monitor how they perform in this setting. This will enable managers to identify the top performers. Moreover, managers may work to improve skills such as team work or communication skills. This may be an example of assessment centre that can be used to identify how employees will function at the workplace in the future.

Future-oriented methods: disadvantages

overwhelming
disheartening
not accurate

Limited to just future performance

Since it is a future-oriented method, past performance does not matter. Employees are unable to see trends and how an employee has performed in the past. This may hinder employee growth and improvement.

Overwhelming and disheartening information

A 360-degree feedback may be too much information for the employee and may the lose track of information. Instead of focusing on just the problem, everything is discussed which may not be necessary or even useful. Moreover, employees may receive a lot of negative feedback which may lead to demotivation and dishearten the employee

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Inaccurate information gathered

In certain methods such as assessment centres, employees may perform well because they know there is a strict eye on them. However, in a real world situation employees may not perform this way i.e. they may be less efficient and effective. Thus, information on performance gathered from performance appraisal methods may be inaccurate and only situational and not reliable

Table of advantages and disadvantages of future-oriented methods

Advantages	Disadvantages
① Direct approach for future improvement	① Limited to just one time frame: future
② Full and complete view of performance	② Information/feedback may be overwhelming, unnecessary and demotivating
③ Mimicking real world situations and forecasting performance	③ Inaccurate ~~and~~, unreliable and invalid information gathered

Conclusion

In conclusion, the advantages and disadvantages of performance appraisals are discussed above. Some advantages for past oriented methods include easy comparison and improvement identification whereas disadvantages include a strong focus on past and manager bias. On the other hand, future-oriented methods have the benefits of

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being detailed and direct. Whereas disadvantages include overwhelming and inaccurate information ~~and~~

Q5 Discuss the three common capital budgeting decision techniques with examples and formulas.

A5. Introduction

Capital budgeting is a process used by companies for evaluating and ranking potential expenditures or investments that are significant in amount. Large expenditures include: purchase of new equipment, rebuilding existing equipment etc. Capital budgeting includes (usually) calculating cash flows by period, present value of cash flows, number of years it takes for a project's cash flow to pay back the initial cash investment, assessment of risk and other factors. In this answer, three common capital budgeting decision techniques will be discussed with their examples and formulas. These will be the Payback Period, Net Present Value and Internal Rate of Return.

Payback Period

What is a payback period capital budgeting decision?

When an organization invests in capital or carries out an investment appraisal, the ~~investment~~ investment needs to show a return. A payback period is the length of time that

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is required to recover the cost of the investment.

Example of payback period

For example, if a company invests £500,000 in an asset or machinery, there will be a time period where the investment is paid back. The Table below will highlight such example:

Year	Annual Net Cash Flows (£)
0	(500,000)
1	300,000
2	100,000
3	150,000
4	100,000

The table above shows the amount will be recovered in Year 3.

Formula for Payback Period calculation

In the example above, more money is generated in year 3 than the £ investment. For the remaining amount this formula below can be used:

For calculation of months: ~~Remaining amount~~

$$\frac{\text{Remaining amount}}{\text{Completion of year amount}} \times 12$$

Eg: $\frac{100,000}{150,000} \times 12 = 8$ months

Therefore, from the above table payback period is 2 years and 8 months.

Net Present Value

What is Net Present Value (NPV)?

Net Present value uses the cash inflow for each period of time and discounts it at a particular rate. The present values of the cash flows are compared to the initial investment. The criteria to consider whether to take up an investment is if the end value is positive. If it is positive, the project or investment is undertaken. However, if the NPV is negative, the investment is not worth taking.

Example of NPV

A project is set to be considered ~~undertaken~~ with an initial investment of \$5 million. Each year, the cash flow is discounted by 10%. This is shown in the table below

Year	Net cash Flow (\$m)	Discount Factor (10%)	Discount Cash Flow \$m.
0	(5)	1	(5)
1	2	2/1.1	1.82
2	2	$2/(1.1)^2$	1.85
3	2	$2/(1.1)^3$	1.50
4	3	$3(1.1)^4$	2.05
Total			2.02

NPV = Future Value − Present Value

= \$7.02m − \$5m

= \$2.02m

Therefore, since the value is positive - this project can be undertaken...

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Formula of NPV

NPV = Future value − Present value

Internal Rate of Return (IRR)

What is the Internal Rate of Return (IRR)?

The Internal Rate of Return is defined the rate at which the net present value of investment is zero. Therefore, the discounted cash inflow is equal to the discounted cash outflow. It considers time value of money. It is called internal rate because it depends solely on the outlay and proceeds associated with the project and not any rate determined outside the investment.

Example of IRR

The cash flows every year are discounted by two different rates which are low and high. These are plugged into the formula. The table below shows such an example.

Years	Cash Inflows	DF@10%	Discounted cash flows	DF@12%	Discounted cash flows
0	(150,000)	1	(150000)	1	(150,000)
1	30,000	$1/1.1 = 0.909$	27,270	$\frac{1}{1.12} = 0.893$	26790
2	40,000	$\frac{1}{(1.1)^2} = 0.83$	33,040	$\frac{1}{(1.12)^2} = 0.797$	31880
3	60,000	$\frac{1}{(1.1)^3} = 0.751$	45,060	$\frac{1}{(1.12)^3} = 0.712$	42,720
4	30,000	$\frac{1}{(1.1)^4} = 0.683$	20,490	$\frac{1}{(1.12)^4} = 0.636$	19,080
5	20,000	$\frac{1}{(1.1)^5} = 0.621$	12,420	$\frac{1}{(1.12)^5} = 0.567$	11340
		NPV	(11720)	NPV	(18190)

Formula of IRR

$$IRR = L + \left[\frac{N_L}{N_L - N_H} \times (H - L)\right]$$

$$= 10 + \left[\frac{(11720)}{(11720) + (18190)} \times (12 - 10)\right] = 6.377\%$$

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Conclusion

In conclusion, three common capital budgeting methods are discussed above. The first one is the payback period which calculates the length of time it would take to reach ~~a~~ breakeven point. Second, the NPV calculates if the project is worth undertaking ~~if the~~ only if the NPV is positive. Lastly, the IRR takes into account two discount rates and gives a final percentage which shows the point at which the present value of the investment will be ~~zeo~~ zero. Moreover, ~~the~~ examples of each method are given along with ~~detaile~~ their formulas.

Q6.

(i) Current ratio = $\frac{\text{Current Assets}}{\text{Current liabilities}}$

Explaination

The current ratio is a liquidity ratio that measures whether a firm has enough resources to meet its short-term obligations and goals. In this context, an international manufacturing firm could look at whether they have current assets such as inventory, cash, debtors etc and compare it with current liabilities such as creditors (short-term). After accounting for both the firm could determine if they can meet short-term goals.

(ii) Quick ratio = $\frac{\text{Current Assets} - \text{Inventory}}{\text{Current liabilities}}$

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Explanation
Quick ratio is also known as acid test ratio. Quick ratio measures the organization's capability to pay its current liabilities without having to sell its inventory. It is a liquidity ratio. In the current context, ~~of~~ the international manufacturing firm would have to weigh all current assets such as bank balance, cash, debtors and remove inventory and weigh the current assets with current liabilities such as bank overdraft, creditors etc.

(iii) Average collection period = $\frac{365}{\text{Account Receivable Turnover Ratio}}$

$$= 365 \times \frac{\text{Account receivables}}{\text{Net sales}}$$

Explanation
The average collection period is the average number of days it takes a business to collect and convert its accounts receivable into cash. It is an efficiency ratio. It can be used to determine short-term liquidity such as the ability of an organization to pay its bills (current liabilities) as they come due

(iv) Time interest earned = $\frac{\text{Earnings before interest and tax}}{\text{Interest expenses}}$

Explanation:
Time interest earned and interest coverage ratio is a leverage ratio. It measures the organization's ability to honour its debt payments. Moreover, it may be ~~calculed~~ calculated using EBIT or EBITDA. It takes into account current income and company's ability to pay debts.

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(V) $\text{Inventory turnover} = \dfrac{\text{cost of goods sold}}{\text{Average Inventory}}$

Explanation:

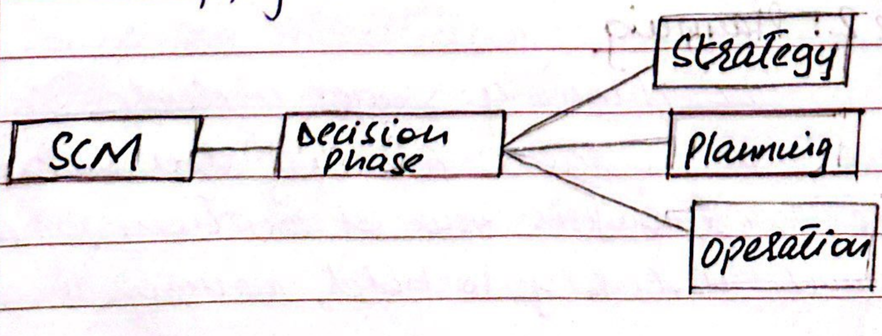
Inventory turnover is an efficiency ratio. It measures the number of times inventory is sold or used in a time period such as a year. It is calculated to judge if the company has an excessive inventory in comparison to sales levels.

Q7. Introduction

The decision phase in the supply chain consists of three steps. These are: strategy, planning and operation. The decision phase is essential to ensure that the supply chain runs smoothly. The supply chain decision begins with the pre-planning stage and continues through every step until the final outcome which would be delivery or the point the product or service reaches the consumer or customer. In this answer, the three phases of the supply chain will be discussed along with ~~the~~ some relevant and applicable examples.

Decision Phase Diagram

The diagram below ~~sto~~ visually depicts the supply chain decision process.



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Stage 1: Strategy

The strategy phase or design phase consists of decision about the structure of the supply chain and what process each stage will perform. These decisions could include the locations and capacity of the facilities, the products to be made or stored at locations, transport methods, and information systems. Moreover, strategic objectives should be used as the guiding force for the supply chain strategy/design. These decisions are long term.

Example of strategy

An example would be ~~of~~ Amazon. Amazon has developed a strategy or design to keep stock/inventory in certain storage houses and where the locations would be. The facilities location plays a key role as amazon delivers worldwide and needs multiple and well-located facilities. Moreover, transport methods are essential for smooth running. So, modes of transport such as planes, trains or trucks are pre-planned. The objective of the company is to deliver products from one place to another as quickly and efficiently as possible so this objective is kept in mind while strategizing.

Stage 2: Planning

The planning stage includes many factors. For instance, planning decisions may include target markets from set locations, planning how much inventory to hold, back-up locations,

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timing and size of market promotions and inventory policies. The planning stage accounts for fluctuation in demand and uncertainty, competition over ~~locations~~ Timely deliveries and exchange rates among other factors.

Example of planning phase

An example of the planning phase could be derived from Apple. Apple needs to plan inventory/stock that is on stand-by, which markets to supply from what locations and back up locations. When ordering an apple product, the customer's location will be checked. For example, the customer is in New York, apple will then dispatch the product ordered ~~to~~ from one of its multiple locations in New York after checking if stock is available and what the closest storage house / apple store is. This would ensure efficiency and quick delivery. Apple is well-known and has a good reputation for their supply chain. Moreover, the presence of multiple locations ~~xxx~~ can be ~~go~~ deduced from the fact that ~~ap~~ Apple products are delivered for free in most locations.

~~Sepp~~ Stage 3: Operation

Operation stage is short-term and has much less uncertainty. The time horizon is determined which could be weekly or monthly or daily. Operating policies are determined and ~~supp~~ supply chain configuration is fixed. It goes through the process of allocation of orders to

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inventory or production then order dates are set then pick lists are generated from warehouses and the order is allocated to a particular shipment which leads to set delivery schedules and replenishment of orders. ~~The diagram belows shows this phase~~

Example of operations stage

An example of this could be Ali Baba. Ali Baba allocates orders to inventory, sets order due dates based on customers order placement and allocates order to a particular shipment. Moreover, this is done efficiently and smoothly, each order is allocated to a set delivery schedule and customers know when, approximately, their order will be received.

Conclusion

In conclusion, the supply chain decision phases are important ~~and~~ for the efficient running of the business. Each of the stages of the supply chain are essential. The strategy phase is the pre-planning phase and takes a broad outlook before making particular or specific decisions. The second stage is the planning stage where the decisions are more particular such as what markets will be supplied and from which location and inventory policies etc. Lastly the operation phase includes the running of the supply chain such as setting order due dates and setting delivery schedules etc.

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Q8. Introduction

Mass marketing can be defined as the targeting of a general audience with a variety of characteristics. Mass marketing ~~includes~~ audience ~~include~~ is all-inclusive and spans over different ages, genders, ethnicities, social groups and locations. On the other hand, market segmentation is when the market is divided into different groups based on distinctive characteristics. For instance it could include a particular age or gender. Each type of marketing has its own set of advantages in comparison to the other which will be discussed in this answer.

Advantages of mass marketing over market segmentation.

Larger audience pool

Mass marketing doesn't differentiate between different segments or groups. It caters to the general or mass audience. This ensures that more people know about the product or service and are ~~made to~~ attracted to it through marketing. This would ultimately result in higher sales volumes and profits. for the company. For example, the Barbie movie carried out a mass global marketing campaign. Although typically, barbie ~~should~~ is assumed to be a child's area of interest - particularly girls, Barbie targetted people of all ages and all genders. Thus, it was able to generate more than $500 million in its first week of showing, smashing several records. It was able to mass market well.

Less risky and more hedging

Through mass marketing, companies can target several groups of people. If the product or service does not align with a certain group then the company can rely on customers from other groups to stay in business and remain profitable. For example Spotify markets its services to every age group and gender. They offer discounts to families, students, old people and have other features to market their product. If the older age group does not like spotify and prefers competitors, Spotify has a wide range of audience to fall back on. In market segmentation, however, targetting one audience would be risky and if that group is no longer interested in the service then they would be out of business

More room for creativity

Mass marketing is for the general audience so the options for marketing are endless. For example H&M ~~B~~ is a retail store that ~~to~~ encompasses every gender, every age group and most classes. They ~~have different~~ can choose from a wide variety of options to market their products and services. On the other hand, market segmentation could limit creativity. For instance, high end brands ~~usual~~ like Versace and

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channel only target people from a specific class and age. Thus the creativity is limited to social class and a specific age.

Advantages of market segmentation in comparison to mass marketing

Effective targetting can generate high profits

If all resources are geared towards a segment of the market then the marketing will be made more attractive. If the company is able to identify the needs and wants of their target segment then they could generate more profit. For example: Beyond Meat targets environmentally conscious and animal rights sympathisers. By marketing their vegan/vegetarian products to this audience they ~~can~~ have been successful. Whereas, through mass marketing, no audience may find the product attractive as the approach is quite general and unattractive.

Better research prospects

When conducting research only a few segments or perhaps even one segment is researched on. This ensures that the variables in research are kept to a minimum and research is more accurate and easy to conduct. ~~Moreover research~~ For example: Cocomelon, a children's cartoon, to market the show only uses children between a certain age bracket usually 2 - 7 years and conducts research on what they would like. On the other hand,

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the mass marketing approach will not work for specific groups. In the case of cocomelon using audience of older ages would be useless and a waste of resources.

Lower costs for market segmentation

When markets are divided into segments, it is easier and cheaper to target them. In the long-run by efficiently analyzing different segment needs and identifying demand, segments can be targetted. This can lead to more accurate forecasting and lower costs and higher profits. For example ~~zara~~ Zara segmented the market into male, female and children and markets products to each group separately. This has led to being the top seller for several years. On the flip side, ~~market~~ mass marketing may lead to a blind search and cost more in the long-run as the target is vague.

Comparison Table of mass marketing and market segmentation

Mass Marketing	Market segmentation
1. Larger audience pool and more potential sales and profits	1. High profits through effective and specific targeting
2. Hedging against risk because everyone is the target audience	2. Accurate and ~~more~~ better research prospects
3. More leeway ~~for~~ for creative marketing plan	3. Lower long-term costs as particular and necessary market segment targetted

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Conclusion

In conclusion, the advantages of mass marketing are less risk and more creative marketing among others. Moreover, market segmentation includes better research and lower profit. These ~~are~~ advantages are compared with each other and analysed with relevant examples in the answer above.

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Q5. Introduction

Integrated Marketing Communication (IMC) process is the process of unifying a brand's messaging to make it consistent across all media that the brand uses to reach its target audience. Integrated Marketing Communication uses multiple tools in order to achieve its objectives. These include advertising, direct selling, sales promotion and a few other tools. In order to launch a product some key aims and objectives need to ~~keep~~ kept in mind to ensure the launch is successful. Pre-planning each stage, would lead to an overall better preparation and outcome. The Integrated Communication Process tends to include knowing the target audience/customers, doing situational due-diligence, identifying marketing communication objectives, determining the budget, having strategies in mind and lastly evaluating and measuring the outcome. In this answer, the ~~process~~ Integrated Marketing process when launching a product will be discussed in detail.

The Integrated Communication Planning Process

Step 1: Knowing the Target audience:

When considering to launch a product, the target audience needs to be identified beforehand. An Integrating Marketing Plan would do well if the audience the product will cater to is kept in mind. For example, the audience

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could be young girls or college-going students or men over the age of 65. The target consumer can be identified by segmenting the population or market and cater to the wants and needs of one specific group. At this stage market ~~segmentation~~ segmentation will play a vital role in targeting an audience. Moreover, multiple segments of a market can be selected as well. For example when launching an anti-aging cream, women ~~or~~ over the age of 40 could be the target audience.

Step 2: Developing an analysis of the situation

An effective tool of the integrated marketing process would be to analysis the situation in which the product will be launched. This could be done using the SWOT analysis tool. Internal strengths of the company and product could be analysed such as having adequate or ample resources for mass production or producing a highly innovative and unique product. Moreover, the weaknesses could be a lack of skilled workforce or obsolete machinery that cannot produce unique products. Opportunities could be analysed for example: expanding to new markets or having access to essential raw materials easily. Lastly, external threats could be analysed such as increased competition or political instability in the location where the product would be launched. Thus, situational analysis would ensure that the organization is better prepared when launching the product.

Step 3: Determining marketing communication objectives

When launching a product, the objectives of marketing communication should be determined so that progress can be monitored. For example, the marketing communication objective could be to reach a target audience through multiple promotion techniques. Social media could be used to target the younger population ~~as~~ since most of their ~~time~~ leisure time is spent on social media. Moreover, direct selling could target the older generation and create awareness of the product along with answering their queries about it. In the case of launching an anti-ageing cream, women over the age of 40 could be reached directly to make them aware of the features of the product including price, ingredients etc. The objective of creating awareness and ~~short~~-term demand could be met this way.

Step 4: Determining the budget

When formulating an ~~In~~ Integrated Marketing ~~Communication~~ Communication Process, the budget needs to be established and kept in mind when launching

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a product. It would be unwise to have a monetary limit when ~~launching~~ launching a product. Thus, keeping the limit in mind, decision can be made about the integrated marketing process. The process could keep the advertising campaign budget, social media marketing, direct selling and other communication strategies. ~~Also~~ Since it would be more suitable to use direct selling and social media marketing when launching the anti-aging cream, these two should form part of the budget.

Step 5: Strategies and Tactics

~~This~~

This step can be linked to step 3 as once the objectives are identified, the strategies and tactics of implementation can commence. If the goal was to reach customers via direct selling, then a strategy would be to approach women of a certain age at a mall or to conduct research and locate women of a certain age bracket and contact them through phone calls or emails. Then the strategy could be to show them pictures of women before and after using the product or study results that could incentivize them to buy the anti-aging cream. Moreover, their queries and questions could be answered quickly and in a patient and friendly manner.

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Step 6: ~~Evaltation~~ Evaluation and measurement of the Integrated Marketing Process

The Integrating Marketing Process will be formed through the first five steps. However, the job doesn't end there. The process needs to be evaluated as some plans or parts of the process may not work as well as expected. For instance, consumers may not want to receive emails and updates from the product marketer as this can be annoying. Thus, it is essential to identify what works and what does not in order to make the right decisions, eliminate any problems or unnecessary steps.

~~Conclusion~~ Diagram of Integrated Marketing Process

~~In conclusion,~~

Identify audience

↓

Situational analysis

↓

Determine marketing objectives

↓

Determine budget

↓

Strategies and tactics

↓

Evaluation and measurement

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Conclusion

In conclusion, the ~~area~~ Integrated Marketing Communication Process contains six major steps when launching a new product, all six steps need to be used to form an integrated marketing strategy. These steps will ensure that resources are not wasted, everything remains within the budget and the the product is ultimately successful. A targetted strategy needs to be kept in mind and changes may be due if some decisions are not working.

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Introduction

A Bullwhip Effect is a phenomenon that causes supply chain disruptions. It can result in major and large-scale problems for each segment that is part of the supply chain. Bullwhip Effect can be because of lack of coordination. In the absence of coordination, there is a discrepancy between each stage of the supply chain and this can cause serious hindrances. In this answer, the Bullwhip Effect will be discussed along with the lack of coordination that could cause this problem in the supply chain.

What is the Bullwhip Effect?

Definition of Bullwhip Effect

The Bullwhip Effect ~~ad~~ is also known as the whiplash effect. It refers to a phenomenon of increasing fluctuations in inventory in response to shifts in customer demand. The inventory swings in bigger and bigger "waves" in response to customer demand, which acts as a handle of the whip. The largest "wave" hits the supplier of the raw material, causing them to see the biggest demand variation in response to changing customer demand.

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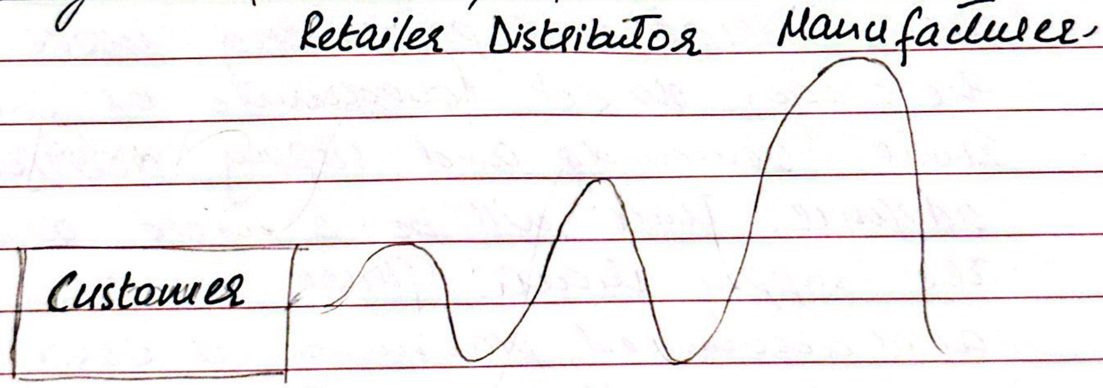
What is the impact of the Bullwhip Effect on the supply chain?

The Bullwhip Effect can impact the whole supply chain negatively. ~~Some~~ One impact could be that there could be too much inventory or stock on hand and this could result in increased inventory holding costs. Another impact could be orders are unfulfilled. ~~and~~ Moreover, customers may be unsatisfied due to poor customer service. This could eventually lead to misguided demand forecasts and loss of revenue. Thus, ultimately the entire supply chain is disrupted.

Diagram of Bullwhip effect



Example of Bullwhip Effect

The customer orders 10 units of a product for example milk. The retailer would want to be safe and order 15 units of milk. Then, the distributor would want to be safe and want to meet the retailers demand and orders in bulk so orders 30 units of milk. The manufacturer would produce much more to enjoy economies of scale in order to meet y/date

demand and thus produces 80 units of milk.

How does lack of coordination in the supply chain relate to the Bullwhip effect

A lack of coordination results in the bullwhip effect for several reasons. The supply chain is an interconnected ~~prog~~ process. Each stage of the supply chain has an impact on the next stage. As can be seen in the diagram previously, when the customers demand ~~was~~ increased, the retailer had to acquire more of the product and this led to a larger wave in the distributor demand for the product and thus ~~the~~ ultimately resulted in the manufacturer attaining more raw material and producing more. If the stages do not coordinate or communicate their demands and supply decisions in advance, there will be a wide disruption in the supply chain. Thus, coordination and advanced planning is essential to ~~to~~ minimize the bullwhip effect. If there is lack of coordination between the stages, the effect of the bullwhip effect will be larger and more detrimental.

Conclusion

In conclusion, the Bullwhip Effect is a disruption phenomenon in the supply chain. A relatively lower change

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in the first stage of the supply chain i.e. consumer will result in a greater increase on the other levels of the supply chain. As ~~the~~ each stage passes, the "wave" of the supply chain will be larger than the last. Moreover, a lack of coordination between the stages of the supply chain will create a worse ~~impact on~~ bullwhip effect and cause serious supply chain disruptions.