

8. Marketing

Q.1. (A) Select the correct option and rewrite the statements

1. The term market is derived from the word 'mercatus'

a) French **b) Latin** c) Italian

2. In the concept of market, emphasis is given on 'buying and selling of goods or services'.

a) Place **b) Exchange** c) Customer

3. Perishable goods such as vegetables, fruits, milk products etc. are sold in Market

a) Very Short Period b) Short Period c) Long Period

4. Retail market is the market where retailer sells goods directly to the in small quantities.

a) Producer b) Wholesaler **c) Consumer**

B) Match the pairs

Group 'A'	Group 'B'
A) Market	1) Single seller
B) Registered brands	2) Stock Market
C) Monopoly	3) Distinct Name
D) Branding	4) Mercatus
E) Digital Marketing	5) Single buyer
	6) ISI
	7) Trademark
	8) Use of traditional media
	9) Multiple seller
	10) Use of digital media

A-4 , B-7 ,C -1 ,D -3 ,E -10

C) Write a word/term /phrase for the following sentence.

1) The market for the commodities which are produced in one country and sold in another countries.

Ans: International Markert

2) Type of market where durable commodities which are generally non-perishable in nature are sold.

Ans: Long period market

3) The market where goods are sold to the ultimate consumers or the users of the product.

Ans: Retail Market

4) Two sellers, selling either a homogeneous product or a differentiated product.

Ans: Duopoly

5) Giving of distinct name to one's product.

Ans: Branding

D) State whether the following statements are true or false.

1) The term market is derived from the Latin word 'mercatus'.

Ans: True

2) Market may be defined as aggregate demand by potential buyers for a product or service.

Ans: True

3) The market for the commodities which are produced in one country and sold in another countries is known as national market.

Ans: False

4) In wholesale market sellers are known as retailers and buyers are known as wholesaler.

Ans: False

5) Regulated Market operates according to forces of demand and supply.

Ans: False

E) Find the odd one.

1) Primary Market, Secondary Market, Retail Market, Terminal Market

Ans: Retail Market

2) Stock Exchange, Foreign Exchange, Bullion Market, Manufactured Goods Market

Ans: Manufacture goods market

3) Price, People, Promotion, Product

Ans: People

4) People, Promotion, Physical Evidence, Process

Ans: Promotion

F) Complete the sentence.

1) **Market** is the place where transaction of buying and selling of goods and services take place
in exchange of money or money's worth.

2) **Monopoly** refers to a market situation when there is a single buyer of a commodity or service.

3) **Label** is a slip which is found on the product and provides all the information regarding the product and its producer.

G) Select the correct option and complete the table.

(Mercatus, Industrial goods, Oligopoly, E. Jerome McCarthy, Booms & Bitner)

Group 'A'	Group 'B'
A) Commodity Market	<u>1) Industrial Goods</u>
<u>B) Oligopoly</u>	2) A few sellers
<u>C) Mercatus</u>	3) To trade Merchandise
D) 4 Ps	<u>4) E. Jerome McCarthy</u>
E) <u>Booms & Bitner</u>	5) 3 Ps

(H) Answer in one sentence.

1) What do you mean by 'Local Market'?

Ans: The market for the commodities which are sold within local geographical limits of a region is known as a local market.

2) What do you mean by 'Regulated Market'?

Ans: Regulated market refers to the markets regulated by statutory provisions of the country. For example, Commodity Exchanges, Stock Exchanges, Foreign Exchanges

3) Define Market.

Ans: In simple words market is the place where two or more parties are involved in buying and selling. These two parties involved in the transactions are called buyers and sellers.

4) What do you mean by standardization?

Ans: Standardisation means to determine standards related to process, size, quality, design, weight, colour etc. of the product. It helps in ensuring uniformity in the quality of the product. It helps in achieving customers' loyalty towards the product.

5) What do you mean by Branding?

Ans: Branding is a process of giving special identity to a product through unique brand name to differentiate it from competitor's products.

I) Correct the underlined word and rewrite the following sentence

1) Commodity Market refers to the market for borrowing and lending long term capital required by business.

2) In duopoly there is a single seller.

3) Pricing bridges the time gap between production and sale of goods.

4) Branding is the process of classification of products according to similar characteristics and/ or quality.

5) Grading helps in avoiding breakage, damage and destruction of the product.

J) Arrange in proper order

1) Local market, international market, national market.

2) Grading, Market Planning, Distribution.

Q.2. Explain the following terms/concepts

1) Market

Ans: The term market is derived from the Latin word 'mercatus', which means 'to trade', 'to trade merchandise' or 'a place where business is transacted'. In simple words market is the place where two or more parties are involved in buying and selling. These two parties involved in the transactions are called buyers and sellers. The transaction of buying and selling takes place with exchange of money.

2) Place Concept of Market

Ans: The term market is commonly understood as the place where transaction of buying and selling of goods and services takes place in exchange of money or money's worth. It is the place where buyers, sellers and other intermediaries come together and exchange goods or services.

In olden days, place played an important role in defining market. But in the age of information technology the term 'market' has wider meaning than just a place.

3) Commodity Concept of Market

Ans: In the commodity concept of market, emphasis is given on 'buying and selling of goods or services'. In this concept the process of buying and selling of goods or services is important and not the place of exchange. In this process buyer and seller as well as the commodity exchanged among them plays an important role.

4) Digital Concept of Market

Ans: Emergence of Information Technology gave birth to the new concept of the market called as

Space or Digital Concept.

The communication media like telephone, mobile, computer, Internet etc. have made direct contact between customer and seller.

Digital Market can be defined as "Market which uses Information Technology for buying and selling of the products or services and facilitate communication of quality, features, price and terms of exchange among them."

5) Product

Ans: Product refers to the goods or services that are offered to the customers for sale and are capable of satisfying the need of the customer. The product can be intangible or tangible, as it can be in the form of services or goods. The business

need to decide the right type of product through extensive market research. Success of the business depends on the impact of the product in the minds of the customer.

6) Price

Ans: The price of the product is basically the amount that a customer pays for the product. Price plays an important role in creating demand for the product. The business needs to take utmost care to decide the price of the product. Cost of the product and willingness of the customer to pay for the product play an important role in pricing the product. Too high price may affect the demand for the product and pricing too low may affect the profitability of the business. While deciding the prices, the value and utility of the product to its customers are to be considered.

7) Promotion

Ans: Promotion is a tool of marketing communication which helps to publicise the product to the customer. It helps to convey product features to the potential buyer and inducing them to buy it.

Promotion mix includes tools such as advertising, direct marketing, sales promotion, personal selling, etc. Combination of promotional strategies depend on budget, the message business wants to communicate and the target market.

8) Marketing Mix

Ans: Marketing Mix is the combination of different marketing variables that the firm blends and controls to achieve the desired result from the target market. In simple words the marketing mix is putting the right product, at the right time, at the right price in the right place. It is one of the important tools of the marketing. The 4P's of marketing mix were introduced by E. Jerome McCarthy in 1960. It was further extended by Booms & Bitner in 1981 by adding 3 new elements to the 4 Ps Principle.

9) Packaging

Ans: Packaging means designing the package for the product. It helps to avoiding breakage, damage and destruction of the product.

Packing material includes bottles, container, plastic bags, tin, wooden boxes, jute bags, bubble bags, packing foam etc.

10) Labeling

Ans: Label is a slip which is found on the product and provides all the information regarding the product and its producer. The slip on which all this information is

provides is called as label and its process is called as labeling. Packaging and labelling not only provide protection to the product but also act as an effective tool of marketing.

Q.3. Study the following case/situation and express your opinion

1) Mr X purchases goods from nearest shop. Mr Y purchases mobiles from Tokyo. Mr Z of Nandurbar purchases electronic goods from Delhi.

i) From which type of market does Mr.X purchase?

Ans: Mr. X purchases goods from Local market.

ii) Name the type of market from where Mr.Y deals?

Ans: Mr. Y purchase mobiles from Tokyo (foreign market) and hence he deals in International market.

iii) State the type of market from where Mr.Z purchases goods?

Ans: Mr. Z of Nandurbar purchases electronic goods from Delhi, i.e. from National market.

2) Mr. X deals in import and export business so he needs different foreign currencies. For the expansion of his business, he borrows money from bank. He invests his funds in the equity shares.

i) Name the market from where does Mr.X borrow money?

Ans: Mr. X borrows money from capital market.

ii) Name the market where does Mr. X invest his funds?

Ans: Mr. X invest his funds in the regulated market.

iii) Which type of currency is required for international market?

Ans: The different foreign currency is required by Mr. X for international market.

Q.4. Answer in Brief

1) Explain in detail the significance of marketing to the society

Ans: The significance of marketing to society are explained as follows:

1) Increase in Standard of Living:

The prime objective of marketing is to provide goods and services to the customers to satisfy their needs. Paul Mazur defined marketing as, "The delivery of standard of living to the society". Marketing helps to identify the needs of the customers and take an initiative to provide the quality goods at the cheaper prices.

2) Provides Employment:

Modern marketing is a total system which covers almost all functions of organization such as buying, selling, financing, transport, warehousing, risk bearing, research and development etc. To run this system there is a need of people. Thus, marketing gives job opportunities to the people.

3) Decreases Distribution Costs:

Marketing activities help to provide cheap goods and services to the society. Effective utilization of channel of distribution can help in reducing the cost prices of the products and services. Reduction of cost will help to increase the potential consumers for the products or services. It also assures timely availability of the product.

4) Consumer Awareness:

Marketing helps the society by informing and educating consumers. The function of marketing is to fulfil the needs of the consumers. Marketing helps consumers to know about new product and service available in the market and its usefulness to the customer.

5) Increase in National Income:

Every economy revolves around marketing, production and finance to the industry. The scientifically organized marketing activities help in the economic development of the country.

Effective marketing of products and services result into industrialization, more job and makes the economy stronger and stable. Marketing can bring about rapid development of the country by integration of agriculture and industry.

6) Managing Consumer Expectations:

Marketing research helps the organizations to understand the needs of the consumers. It helps in developing the products which fulfills customer's

expectations. Customers' review collected through different sources can help the organizations to make necessary changes in the products.

2) Explain 4Ps of product marketing mix.

Ans: 1) Product:

Product refers to the goods or services that are offered to the customers for sale and are capable of satisfying the need of the customer. The product can be intangible or tangible, as it can be in the form of services or goods. The business need to decide the right type of product through extensive market research. Success of the business depends on the impact of the product in the minds of the customer.

2) Price:

The price of the product is basically the amount that a customer pays for the product. Price plays an important role in creating demand for the product. The business needs to take utmost care to decide the price of the product. Cost of the product and willingness of the customer to pay for the product play an important role in pricing the product. Too high price may affect the demand for the product and pricing too low may affect the profitability of the business. While deciding the prices, the value and utility of the product to its customers are to be considered.

3) Place:

Place is also known as distribution channel. Placement or distribution is a very important part of the marketing. Making a right product at the right price is not enough. Businessman needs to make the product available to potential customer at the right place too. Business needs to distribute the product in a place that is accessible to potential buyers. It covers location, distribution and ways of delivering the product to the customer. Better the chain of distribution higher the coverage of the product in the market.

4) Promotion:

Promotion is an important element of marketing as it creates brand recognition and sales. Promotion is a tool of marketing communication which helps to publicize the product to the customer. It helps to convey product features to the potential buyer and inducing them to buy it.

Promotion mix includes tools such as advertising, direct marketing, sales promotion, personal selling, etc. Combination of promotional strategies depend on budget, the message business wants to communicate and the target market.

3) Explain 3Ps in marketing of services

Ans: 3Ps in marketing of service are as follows:

1) People:

People inside and outside of the business have directly or indirectly influence the business.

People comprise of all the human beings that play an active role in offering the product or service to the customer. The people include employees who help to deliver services to the customer. Right people at right place add value to the business. For the success of the business, it is necessary to recruit right people, train them, develop their skill and retain them.

2) Process:

Process refers to the steps involved in delivering products and services to the customer. Processes are important to deliver a quality service. Good process helps to ensure same standard of service to the customer as well as save time and money by increasing efficiency. The advancement of technology helps businesses in effective monitoring of the process of the business and take corrective action wherever is necessary.

3) Physical Environment:

Physical Environment refers to the marketing environment wherein the interaction between customer and firm takes place. Since services are intangible in nature service providers try to incorporate certain tangible elements into their offering to enhance customer experience. In the service market, the physical evidence is important to ensure that the service is successfully delivered. Through physical evidence customers know the brand leaders in the market. Physical evidence affects the customer's satisfaction. It includes location, layout, interior design, packaging, branding, dress of the staff and how they act, waiting area etc.

4) Explain types of market on the basis of area covered

Ans: Types of market on the basis of area covered are as follows:

- a) **Local Market :** The market for the commodities which are sold within local geographical limits of a region is known as a local market.
- b) **National Market:** The market for the commodities which are sold within the country is known as national market.
- c) **International Market :** The market for the commodities which are produced in one country and sold in other countries is known as international market.

5) Explain types of market on the basis of time

Ans: Types of market on the basis of time are as follows:

- a) **Very Short Period Market:** This type of market has very short time existence viz.,

for few hours or for a day at a particular time and place. In this type of market perishable goods such as vegetables, fruits, milk products etc. are sold.

b) Short Period Market : This type of market has existence for a short period viz. weekly markets, festival market, market during fairs etc. Perishable or semi-durable goods are sold in this market.

c) Long Period Market: This type of market has existence for long period. In this type of market durable commodities which are generally non-perishable in nature are sold.

Q.5. Justify the following statements.

1) Marketing is significant to the consumers.

Ans: Marketing is the significant to the consumers because of the following reasons:

1) Promotes Product Awareness:

Through different marketing activities companies promote their products and services. This helps consumers to know about different products and services available in the market.

2) Provides Quality Products

There is increasing competition in the market. It creates moral pressure on the businesses to provide quality goods to the consumers.

3) Provides Variety of Products

Marketing creates awareness among the consumers about the product. At the same time, it attracts the consumers to buy the same.

4) Helps in Selection: Marketing helps the consumer to choose the best products and services from the different options available.

5) Consumer Satisfaction: Marketing leads to consumer satisfaction through honest advertising, assurance of quality products and availability of innovative products. Thus, marketing takes every effort to satisfy the consumer.

6) Regular supply of goods:

Through efficient distribution channel of marketing regular supply of goods is possible. It helps to maintain the balance between demand and supply. It is the results into stable prices.

2) Promotion plays an important role in marketing.

Ans: (1) Promotion means any type of marketing communication used by the business enterprises to inform and persuade potential buyers to buy the products or services. In promotion merits of products, services, brand benefits, etc. are explained to the potential buyers to attract them towards the products. Promotion mix comprises of different tools such as advertising, sales, promotion, direct marketing, personal selling, publicity, etc.

(2) Business enterprises make use of combination of all or some of these five methods for promotion of their products and services as per the need of the business. Promotional activities help the organisation to increase brand awareness in the market. In brief promotion is concerned with informing the customers about the products of the firm and persuading them to buy the products.

(3) Promotional strategy to be used in the organisation depends on the various factors such as budget, the message it wants to communicate and target market. Promotion is an important element of marketing that creates brand recognition and ultimately increase sales.

(4) Business enterprises through promotion attract consumers to buy and taste the products. Promotion mix to be used will depend upon the nature of the product, type of customers, stage of demand, degree of competition, etc. Promotion help business organisations to enhance the sales. Increase in sales, increase profit for the organisation. If the increased profit and income is reinvested in the business, it will earn more and more profits in the future. Promotion helps the organisation to create awareness about existing products, new arrivals and the company selling certain products in the market. It creates brand image among the buyers. Business organisations also use promotion to build customers' layout base. This in turn expands sales and profits.

3) Market can be classified on the basis of competition.

Ans: Market is classified on the basis of competition as follows:

(1) **Perfect market:** A type of market in which large numbers of buyers and large numbers of sellers exist to buy and sell homogeneous product at prevailing market price is called perfect market. In this market, all buyers and all sellers have equal

access to all information and have perfect knowledge about the market conditions. Neither single buyer nor a single seller can influence price. One uniform single price prevails in the market. This model of perfect market is frequently used in economic analysis.

(2) Imperfect market : A type of market which has distinct features of market imperfection such as single seller, imperfect knowledge of market conditions on the part of buyers or sellers, failure to make adjustment in demand and supply, etc. is called imperfect market, e.g. monopoly market.

Imperfect market is further sub-divided into the following categories :

(a) Monopoly: The word monopoly is the combination of two words, viz. 'mono' means one and 'poly' means seller. Accordingly, a market structure which is characterised by a single seller selling unique product in the market is called monopoly. In monopoly, seller faces no competition as he is the sole seller of goods with no close substitute. He controls the entire supply and enjoys the power of setting the price for his goods. He is price maker.

(b) Duopoly: A market situation in which two suppliers dominate the entire market for a commodity or service. In this market, there are two sellers, who either sell a homogeneous product or differentiated product. They enjoy a monopoly in the product produced and sold by them.

(c) Oligopoly: Oligopoly is a state of limited competition in which market is shared by a limited number (few) of producers or sellers producing and selling either a homogeneous product or a differentiated product.

(d) Monopsony : Market situation in which there is only one buyer substantially controls the market as major and single purchaser of goods and services offered by many producers or sellers, is called monopsony market, e.g. labour market, a firm is the sole purchaser of a certain kind of labour.

4) Marketing helps in increasing consumer awareness.

Ans: (1) Many companies undertake different marketing activities to promote their products and services. Marketing makes consumers aware about the different products, brands, features and usefulness of the products and services available in the market. Marketing facilitates the consumers to take right decisions on the purchases of right products and services.

(2) Marketing helps the society by educating consumers and through giving information of new products and services available in the market and their

usefulness. Marketing identifies and satisfies the requirements of consumers by providing relevant information, goods and services to the people as per their demand and preferences. Marketing provides information to consumers to take right decisions.

(3) On the basis of marketing information, consumers can compare products' features, availability, price and other essentials and chooses right products at right price. Marketing also helps to improve the quality of life of the consumers. Marketing helps to create awareness about the existing products, new products entering into the market and the company selling specific products in the market. This in turn help to raise awareness among the potential and prospective consumers. Marketing also creates brand image among the consumers.

(4) The business organisations use marketing to create awareness among the consumers regarding major changes such as mergers and transfer of ownership that influence products offerings or way to improve quality. Thus, marketing creates awareness among the consumers about the products available in the market and attracts the customers to buy the same.

5) There is a need of branding to get recognition among the consumers.

Ans: (1) A name, design, term, symbol, sign, numeral or combination of them given to the product to identify the goods or services of the one manufacturer and to differentiate them from those of competitors, is called a brand. Branding, therefore means, giving a distinctive identity to a product. Bata, Surf, Coca-Cola, 501 soap, 50-50, etc. are some of the well-known brands. Registered brand is called trade mark. Trade mark cannot be copied by other firms. Branding is done mostly for manufactured goods.

(2) Brands are very effective for wide publicity.

It helps sampling. Effectively established brands increases value of business in the industry. Good brand expands the business and create a positive impact on the business and the customers. The customers attracted towards the products are assured dependability and loyalty by using branded products. Strong branding helps to generate new customers and maintain the existing and regular customers.

(3) Branding helps the products and producers to get recognition among the consumers. Branding facilitates advertising and price control. Branded goods enjoy a wider market as the necessity or personal inspection or sample is avoided. By registering his brand, a businessman can protect his products from imitation.

(4) Branding helps to get new business and increase brand awareness in the

market. It creates trust in the mind of consumers, potential consumers and people. The consumers prefer to do business with a company that has professional brand name in the market.

Q.6. Attempt the following.

1) Give classification of market in detail on the basis of 'Volume of Transaction'

Ans: Classification of Market On the Basis of Volume of Transaction is as follows:

a) Wholesale Market :

In wholesale market the activity of buying and selling goods is undertaken in large quantities at cheaper prices. Goods are sold to retailers who then sell them to the consumers. It refers to the market for bulk purchase and sale of goods.

In such a market sellers are known as wholesalers and buyers are known as retailers.

b) Retail Market :

Retail market is the market where retailer sells goods directly to the consumer in small quantities.

2) Give classification of market on the basis of 'Time'

Ans: Classification of Market On the Basis of Time is as follows:

a) Very Short Period Market: This type of market has very short time existence viz., for few hours or for a day at a particular time and place. In this type of market perishable goods such as vegetables, fruits, milk products etc. are sold.

b) Short Period Market: This type of market has existence for a short period viz. weekly markets, festival market, market during fairs etc. Perishable or semi-durable goods are sold in this market.

c) Long Period Market: This type of market has existence for long period. In this type of market durable commodities which are generally non-perishable in nature are sold.

3) Explain packaging and labelling

Ans: Package and Label creates the first impression on the consumer about the product. Attractive package and label can help to make product successful. Packaging means designing the package for the product. It helps to avoiding

breakage, damage and destruction of the product.

Packing material includes bottles, container, plastic bags, tin, wooden boxes, jute bags, bubble bags, packing foam etc. Label is a slip which is found on the product and provides all the information regarding the product and its producer. The slip on which all this information is provided is called as label and its process is called as labeling. Packaging and labelling not only provide protection to the product but also act as an effective tool of marketing.

4) Explain standardization and grading

Ans: Standardization means to determine standards related to process, size, quality, design, weight, colour etc. of the product. It helps in ensuring uniformity in the quality of the product. It helps in achieving customers' loyalty towards the product. Grading is the process of classification of products according to similar characteristics and/or quality. Grading is done on the basis of their features like size, shape quality etc. Generally grading is done in case of agricultural products like wheat, rice, potatoes etc.

5) Explain importance of marketing to the firm.

Ans: Importance of Marketing to the Firm are as follows:

1) Increases Awareness:

Marketing helps in creating awareness about the existing products, new arrivals as well as the company which sells a particular product in the market. This raises awareness among the potential consumers. It creates brand image among the consumers.

2) Increases Sales:

Once marketing creates awareness about the products or services among the consumers, it attracts them to purchase the same. Successful marketing campaign helps to increase the sales of the organization. Increase in sale generates profit for the organization. This income and profit are reinvested in the business to earn more profits in future. In modern business, survival of the organization depends on the effectiveness of the marketing function.

3) Creates Trust:

People want to buy from a business that has a trustworthy reputation. Creating trust among the customers is a time consuming process. Creating trust among the consumers helps the business to earn loyal customers. Once your business can

establish this trust with your clients, it creates customer loyalty. Happy customers enhance the brand image in the market.

4) Basis for Making Decisions:

From inception of idea to delivering the final product to the customer, businessman has to take several decisions. Businessman has to look after many problems such as what, how, when. How much and for whom to produce? As the scale of operation increases, these decisions become more complex. Marketing helps to take right decision at right time.

5) Source of New Ideas:

Marketing helps business to understand the needs of the consumers. Feedbacks from the consumers help in the improvement of the existing products. There is rapid change in tastes and preference of people. Marketing helps in understanding these changes. It helps to understand new demand pattern emerged in the market. Research and Development department develop products accordingly.

6) Tackling the Competition

There is increasing competition in almost all sectors of the economy. It is difficult for any business to create monopoly for their products and services. The role of marketing is important to create brand image in the minds of potential customers. Marketing not only helps to communicate the products and services to the consumers but also motivates them to buy the same.

Q.7. Answer the following.

1) Define Marketing and explain in detail the concepts of marketing.

Ans: According to **American Marketing Association**, "Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large. There are many concepts associated with the word 'market' and according to the concept, different definitions of the term market are given below:

1) Place concept of Market:

The term market is commonly understood as the place where transaction of buying and selling of goods and services takes place in exchange of money or money's worth. It is the place where buyers, sellers and other intermediaries come together and exchange goods or services. In olden days, place played an important role in defining market. But in the age of information technology the term 'market' has wider meaning than just a place.

2) Commodity Concept of Market

In the commodity concept of market, emphasis is given on 'buying and selling of goods or services'. In this concept the process of buying and selling of goods or services is important and not the place of exchange. In this process buyer and seller as well as the commodity exchanged among them plays an important role.

3) Exchange concept of Market

Exchange concept of market has given emphasis on exchange of goods or services between buyer and seller with free consent as well as mutual trust. There should not be any Fraud or Misrepresentation or Coercion or undue influence during the exchange. The exchange should be voluntary between buyer and seller.

4) Area concept of Market

The area concept of the market is related to exchange concept. This concept gives emphasis on free association between buyers and sellers to fix the price of goods for buying and selling. The price fixed between buyer and seller implies in the certain area only. In this concept it is not necessary for buyer and seller to meet in person. For fixing the price buyers and sellers can regularly take the help of different modern communication media and exchange goods or services.

5) Demand or Customer concept of Market

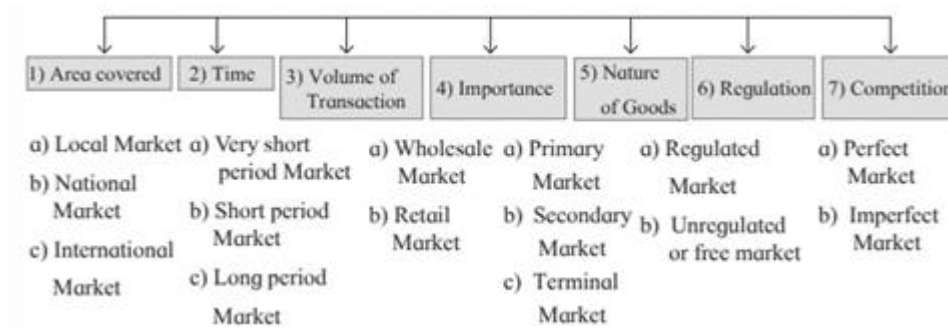
Customer is the king of the market. One of the important perspectives of the market is to assess the need or demand of the customer. Market can be studied from the perspective of demand or customer. According to this concept, the aggregate demand by potential buyers for any product is market.

6) Space or Digital concept of Market

Emergence of Information Technology gave birth to the new concept of the market called as Space or Digital Concept. New and sophisticated E-Commerce Portals and Mobile Applications make the buying and selling easy and convenient for buyers as well as sellers. The communication media like telephone, mobile, computer, Internet etc. have made direct contact between customer and seller.

2) Explain different types of market in detail.

Ans: Markets can be broadly classified into following categories. Types of Market(On the basis of)



1) On the Basis of Area Covered

a) Local Market : The market for the commodities which are sold within local geographical limits of a region is known as a local market.

b) National Market: The market for the commodities which are sold within the country is known as national market.

c) International Market : The market for the commodities which are produced in one country and sold in other countries is known as international market.

2) On the Basis of Time

a) Very Short Period Market: This type of market has very short time existence viz., for few hours or for a day at a particular time and place. In this type of market perishable goods such as vegetables, fruits, milk products etc. are sold.

b) Short Period Market : This type of market has existence for a short period viz. weekly markets, festival market, market during fairs etc. Perishable or semi-durable goods are sold in this market.

c) Long Period Market: This type of market has existence for long period. In this type of market durable commodities which are generally non-perishable in nature are sold.

3) On the Basis of Volume of Transaction

a) Wholesale Market : In wholesale market the activity of buying and selling goods is undertaken in large quantities at cheaper prices. Goods are sold to retailers who then sell them to the consumers. It refers to the market for bulk purchase and sale of goods. In such a market sellers are known as wholesalers and buyers are known as retailers.

b) Retail Market : Retail market is the market where retailer sells goods directly to the consumer in small quantities.

4) On the Basis of Importance

a) Primary Market: Primary Market refers to the market for primary products such as agricultural and forest products, for example, fruits, vegetables, food grains etc.

b) Secondary Market: Secondary Market refers to the market for semi-processed and semi-manufactured goods. For example yarn market, iron ore market etc.

c) Terminal Market: Terminal Market refers to the market where goods are sold to the ultimate consumers or the users of the product.

5) On the Basis of Nature of Goods

a) Commodity Market: Commodity market refers to the market for goods, material or produce viz., consumer goods and industrial goods.

b) Capital Markets : It is a market for borrowing and lending long term capital required by business enterprises. The financial asset dealt within capital market have long or indefinite maturity period.

6) On the Basis of Regulation

a) Regulated Market: Regulated market refers to the markets regulated by statutory provisions of the country. For example, Commodity Exchanges, Stock Exchanges, Foreign Exchanges

b) Unregulated or Free Market: It refers to the markets which are not controlled by any specific regulations. It generally operates according to forces of demand and supply.

7) On the Basis of Competition

a) Perfect Market: Perfect market is a market where large number of buyers and sellers buy and sell their homogeneous products. These buyers and sellers have perfect knowledge about market conditions and therefore, one single price prevails in the market.

b) Imperfect Market: Imperfect Market refers to a market situation which is

characterized by market imperfection such as single seller, maladjustment in demand and supply, imperfect knowledge on the part of buyers or sellers, etc.

3) Explain in detail 7Ps of Marketing.

Ans: 7Ps of Marketing are explained as follows:

1) Product:

Product refers to the goods or services that are offered to the customers for sale and are capable of satisfying the need of the customer. The product can be intangible or tangible, as it can be in the form of services or goods. The business needs to decide the right type of product through extensive market research. Success of the business depends on the impact of the product in the minds of the customer.

2) Price:

The price of the product is basically the amount that a customer pays for the product. Price plays an important role in creating demand for the product. The business needs to take utmost care to decide the price of the product. Cost of the product and willingness of the customer to pay for the product play an important role in pricing the product. Too high price may affect the demand for the product and pricing too low may affect the profitability of the business. While deciding the prices, the value and utility of the product to its customers are to be considered.

3) Place:

Place is also known as distribution channel. Placement or distribution is a very important part of the marketing. Making a right product at the right price is not enough. Businessman needs to make the product available to potential customer at the right place too. Business needs to distribute the product in a place that is accessible to potential buyers. It covers location, distribution and ways of delivering the product to the customer. Better the chain of distribution higher the coverage of the product in the market.

4) Promotion:

Promotion is an important element of marketing as it creates brand recognition and sales. Promotion is a tool of marketing communication which helps to publicise the product to the customer. It helps to convey product features to the potential buyer and inducing them to buy it.

Promotion mix includes tools such as advertising, direct marketing, sales promotion, personal selling, etc. Combination of promotional strategies depend on budget, the message business wants to communicate and the target market.

5) People:

People inside and outside of the business have directly or indirectly influence the business.

People comprise of all the human beings that play an active role in offering the product or service to the customer. The people include employees who help to deliver services to the customer. Right people at right place add value to the business. For the success of the business, it is necessary to recruit right people, train them, develop their skill and retain them.

6) Process:

Process refers to the steps involved in delivering products and services to the customer. Processes are important to deliver a quality service. Good process helps to ensure same standard of service to the customer as well as save time and money by increasing efficiency. The advancement of technology helps businesses in effective monitoring of the process of the business and take corrective action wherever is necessary.

7) Physical Environment:

Physical Environment refers to the marketing environment wherein the interaction between customer and firm takes place. Since services are intangible in nature service providers try to incorporate certain tangible elements into their offering to enhance customer experience. In the service market, the physical evidence is important to ensure that the service is successfully delivered. Through physical evidence customers know the brand leaders in the market. Physical evidence affects the customer's satisfaction. It includes location, layout, interior design, packaging, branding, dress of the staff and how they act, waiting area etc.

4) Explain the functions of marketing in detail.

Ans: 1) Marketing Research

Effective marketing is possible when business takes initiative to identify the needs and wants of the consumers in the market. To identify the needs of the consumers, there is a need to collect information from the consumers and analyse the same is known as Market Research. Analysis of the information helps in the assessment of the need in the market. It helps to find out what do consumers want to buy, when do consumers buy, in what quantity they want to buy and at what price. Marketing Research helps to take various decisions regarding successful marketing of products.

2) Buying and Assembling:

It involves collecting raw material from different sources at one place for

production. This function is important as quality and price of raw materials determine cost and quality of the final product.

3) Market Planning:

After assessing the need of the marketing, business needs to chalk out the marketing plan and strategies to achieve the desired objective. Market planning is the process of organizing and defining the marketing objectives of the business and creating strategies to achieve them. It is the comprehensive blueprint that will help to draw outline business's overall marketing efforts.

4) Product Development

Product development and design play an important role in the selling of the product. There is a need to develop the product that suits the needs of the consumer. Product design includes decision related to quality, standards, shape, design, packing, colour etc. of the product. Consumer always prefer better and attractively designed product. Good design of the product gives competitive advantage to the business. Product development is continuous process as the requirements of the customer change from time to time.

5) Standardisation and Grading:

Standardisation means to determine standards related to process, size, quality, design, weight, colour etc. of the product. It helps in ensuring uniformity in the quality of the product. It helps in achieving customers' loyalty towards the product. Grading is the process of classification of products according to similar characteristics and/or quality. Grading is done on the basis of their features like size, shape quality etc. Generally grading is done in case of agricultural products like wheat, rice, potatoes etc.

6) Packaging and Labelling:

Package and Label creates the first impression on the consumer about the product. Attractive package and label can help to make product successful. Packaging means designing the package for the product. It helps to avoiding breakage, damage and destruction of the product.

Packing material includes bottles, container, plastic bags, tin, wooden boxes, jute bags, bubble bags, packing foam etc.

Label is a slip which is found on the product and provides all the information regarding the product and its producer. The slip on which all this information is provided is called as label and its process is called as labeling. Packaging and labelling not only provide protection to the product but also act as an effective tool of marketing.

7) Branding :

Every businessman wants to have special identity in the market for his product. Branding is a process of giving special identity to a product through unique brand name to differentiate it from competitor's products. In simple words giving of distinct name to one's product is called as branding. Registered brands are known as Trademarks.

8) Customer Support Service:

Customer is the king of the market hence business needs to take necessary steps for the satisfaction of the customer. Business needs to take every possible effort to provide support services to the customer. Timely support services help to gain customer's loyalty.

9) Pricing of Product:

Pricing is one of the most important as well as challenging function of the marketing. Many times price of the product decides the success or failure of the product. Pricing plays an important role in the market where there is cut throat competition.

10) Promotional Channels

Promotion is the process of informing the consumers about the products, their features, uses, prices etc and encouraging them to buy these products. Advertising, Personal selling, Publicity and Sales Promotion are some of the important tools of promotion. Business uses combination of all or some of these four methods for promotion as per the need of the business. Promotional activities help to increase brand awareness in the market.

11) Distribution:

Distribution is the set of activities which is concerned with efficient movement of finished goods from the place of production to the consumer. It includes transportation, warehousing, material handling, inventory control, order processing, market forecasting, packaging, plant and warehouse location and customer service. Distribution accounts for a major part of marketing budget of the business. Importance of physical distribution for a firm depends on the type of product and level of customer satisfaction desired.

12) Transportation:

Transportation means physical movement of goods from the place of production to the place of consumption. Transportation includes transportation of finished goods as well as of raw material. Production, sale and consumption-all the three activities need not be at one place hence there is a need of transportation. Place utility is created by transportation activity.

13) Warehousing:

There is a time-lag between the purchase or production of goods and their sale. It is important to store the goods at a safe place during this time-lag. Any negligence during this period may damage the stock. Warehouse helps to maintain a smooth flow of goods. It also helps in stabilizing prices in the market. Function of warehousing is performed by retailers, wholesalers and manufacturers. Warehousing creates time utility.

5) Explain importance of marketing to the society and consumers.

Ans: Importance of Marketing to the Society

1) Increase in Standard of Living:

The prime objective of marketing is to provide goods and services to the customers to satisfy their needs. Paul Mazur defined marketing as, "The delivery of standard of living to the society". Marketing helps to identify the needs of the customers and take an initiative to provide the quality goods at the cheaper prices.

2) Provides Employment:

Modern marketing is a total system which covers almost all functions of organization such as buying, selling, financing, transport, warehousing, risk bearing, research and development etc. To run this system there is a need of people. Thus, marketing gives job opportunities to the people.

3) Decreases Distribution Costs:

Marketing activities help to provide cheap goods and services to the society. Effective utilization of channel of distribution can help in reducing the cost prices of the products and services. Reduction of cost will help to increase the potential consumers for the products or services. It also assures timely availability of the product.

4) Consumer Awareness:

Marketing helps the society by informing and educating consumers. The function of marketing is to fulfil the needs of the consumers. Marketing helps consumers to know about new product and service available in the market and its usefulness to the customer.

5) Increase in National Income:

Every economy revolves around marketing, production and finance to the industry. The scientifically organized marketing activities help in the economic development of the country.

Effective marketing of products and services result into industrialization, more job

and makes the economy stronger and stable. Marketing can bring about rapid development of the country by integration of agriculture and industry.

6) Managing Consumer Expectations:

Marketing research helps the organizations to understand the needs of the consumers. It helps in developing the products which fulfill customer's expectations. Customers' review collected through different sources can help the organizations to make necessary changes in the products. Businesses use marketing to make consumers aware of major changes, such as mergers and transfers in ownership that affect product offerings or seek to improve quality. Government regulations prevent marketers from making false or misleading claims.

Importance of Marketing to the Consumers

1) Promotes Product Awareness:

Through different marketing activities companies promote their products and services. This helps consumers to know about different products and services available in the market. It helps the consumer in making buying decision. It also creates awareness among the consumers about different brands and features of the product available in the market.

2) Provides Quality Products

There is increasing competition in the market. Consumers are getting easy access to the information about the products and services available in the market. It creates moral pressure on the businesses to provide quality goods to the consumers. Supplying defective products may create negative image of the business which affects the consumer's loyalty.

3) Provides Variety of Products

Marketing creates awareness among the consumers about the product. At the same time, it attracts the consumers to buy the same. With the customer population and preferences becoming wider, and the competitive options becoming more available, market segmentation has become critical in any business or marketing plan.

4) Helps in Selection

Variety of products with different brands are available in the competitive markets. Marketing helps the consumer to choose the best products and services from the different options available.

5) Consumer Satisfaction

The first and foremost objective of any sound marketing policy is to satisfy the advertising, assurance of good quality product to consumer. When an offering meets

the customer's expectations, the customer is satisfied. Marketing leads to consumer satisfaction through honest advertising, assurance of quality products and availability of innovative products. Thus, marketing takes every effort to satisfy the consumer.

6) Regular supply of goods:

Through efficient distribution channel of marketing regular supply of goods is possible. It helps to maintain the balance between demand and supply. It is the results into stable prices.