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Marketing

Fastrack® Revision

► Marketing

Marketing is a social process by which individual and groups obtain what they need and want through creating offering and exchanging products and services of value freely with others.

"Marketing management is the art and science of choosing target markets and getting, keeping and growing customers through creating, delivering and communicating superior customer value." – Philip Kotler

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Marketing consists of all those activities, which satisfy needs and wants of present and potential customers better than the competitors.

► Market

- Place where buyers and sellers meet and conduct buying and selling activities. It does not necessarily mean a geographical place (e.g., conduct of business through telephone, mail or internet).
- The other ways in which this term is being used is in the context of a product market (cotton market, gold or share market), geographic market (national and international market), type of buyers (consumer market and industrial market) and the quantity of goods transacted (retail market and wholesale market).
- In the modern marketing sense, it refers to a set of actual or potential buyers of a product or service i.e., all customers who share a particular need or want and are able to buy the product (also referred to as target markets).

► Features of Marketing

- **Needs and Wants:** Marketing aims to identify unsatisfied needs of the target customers and develop products and services that satisfy the need of target buyer.
- **Creating a Market Offering:** The purpose of marketing is to provide complete information about the products and services.
- **Customer Value:** Marketer's job is to add value to the product so that people prefer it more than competing products and decide to purchase it.
- **Exchange Mechanism:** The process of marketing works through the exchange mechanism. Exchange takes place when a person obtains the desired product from someone, in return of money or money's worth.

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What can be Marketed?

All the products, which are of some value to the other, can be marketed.

► Functions of Marketing

- **Gathering and Analysing Market Information:** Marketing is done to know the taste and preference of the target market. It is important to analyse available opportunities and threats as well as strengths and weakness of the organisation. It helps in deciding what opportunities.
- **Marketing Planning:** It is needed to meet the marketing objectives of the firm effectively and efficiently. This includes making a comprehensive action programme covering all the important aspects of the plan.
- **Product Designing and Development:** It is carried out to make the product innovative and attractive. The product design should be such which improves the performance of a product or gives it a competitive edge over its competitors.
- **Packaging and Labelling:** These are needed for product protection, product identification and product differentiation. Packaging protects the product from the risk of spoilage, breakage, etc. Labelling means designing and developing a label to be put on the package.
- **Branding:** It is the process of creating a name or symbol or combination of both the differentiate the product of the company from the competitors.
- **Customer Support Services:** These services help to create a good image of the marketer in the eyes of consumers.
- **Pricing of Product:** It is a crucial decision as it may greatly influence the demand for a product. Prices are generally fixed by manufacturers carefully after looking into cost of production, demand for the product and the nature of competition.
- **Physical Distribution:** It ensures the availability of the product at the right place, at the right time and in right condition so as to facilitate its purchase.
- **Transportation:** It creates place utility through movement of goods from the production of goods to the place of distribution.
- **Warehousing:** It creates time utility by providing for the storage during the time gap between the production and distribution of goods.
- **Standardisation and Grading:** It helps to produce goods as per pre-determined specifications and grading facilitates their classification into groups on the basis of some criterion like quality, size, etc.
- **Promotion:** It refers to all such activities of the manufacturers, like advertising, personal selling, sales promotion and publicity, etc. which are intended to influence buyer's behaviour.

► Marketing Management Philosophies

The marketers can get guidance from the following concepts of marketing, known as Marketing Management Philosophies:

- ▶ **Production Concept:** It assumes that availability and affordability of the product are the key to the success of a firm and puts greater emphasis on improving the production and distribution efficiency of the firms. According to this concept, profits could be maximised by producing at large scale, thereby reducing the per unit cost of production.
- ▶ **Product Concept:** It assumes that product improvement is the key to profit maximisation of a firm. According to this concept, consumers favour those products which offer superior quality, performance and features.
- ▶ **Selling Concept:** It assumes that the customers would not buy, or not buy enough, unless they are adequately convinced and motivated to do so, it is believed that aggressive selling and promotional efforts are important to make customers buy their products. According to this concept, firms believe that aggressive selling and promotional efforts will convince a customer to buy the product.
- ▶ **Marketing Concept:** It implies that focus on satisfaction of customer's needs is the key to the success of any organisation in the market. Marketing emphasise that firms can achieve the objective of profit maximisation by finding out needs and requirements of customers and satisfying them in an effective manner.
- ▶ **Societal Marketing Concept:** It is the extension of the marketing concept as supplemented by the concern for the long-term welfare of the society. This concept emphasise that along with customer's satisfaction, due importance should be given to welfare of the customer and the society.

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 In order to achieve desired exchange outcomes with target markets, it is important to decide what philosophy or thinking should guide the marketing efforts of an organisation.

- ▶ **Marketing Mix:** It is a set of marketing tools that the firm uses to pursue its marketing objectives in a target market. There are various factors, which affect marketing decisions. They can be divided into following categories:
 - ▶ **Controllable Factors:** It refers to those factors which can be influenced at the level of the firm.
 - ▶ **Non-Controllable Factors:** It refers to those factors which affect the marketing decisions but are not controllable at the firm's level.
- ▶ **Elements of Marketing Mix**
 - ▶ **Product Mix:** All the features of the product or service to be offered for sale. The important product decisions include deciding about the features, quality, packaging, labelling and branding of the products.
 - ▶ **Price Mix:** It is a very crucial element of marketing mix as customers are highly price sensitive and level of price affects the level of demand. Marketers have not only to decide about the objectives of price setting but to analyse the factors determining the price and fix a price for the firm's products.
 - ▶ **Place Mix/Physical Distribution:** It includes activities that make firm's products available to the target customers. It also involves decisions regarding selection of intermediaries and providing support to them by discounts.

- ▶ **Promotion Mix:** Promotion refers to all such activities that communicate availability, features, merits, etc. of the products to the target customers and persuade them to buy it.

- ▶ **Product:** In common parlance, the word 'Product', is used to refer only to the physical or tangible attributes of a product. In marketing, product is a mixture of tangible and intangible attributes, which are capable of being exchanged for a value, with ability to satisfy customer needs. It is anything that can be offered to a market to satisfy want or need.

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 Product decisions include decisions related to branding, packaging and labelling, etc.

- ▶ **Branding:** The process used to create a distinct identity of a product. It is the process of using a name, term, symbol or design individually or in some combination to identify a product.
- ▶ **Brand:** Name, term, sign, design or some combination of the said are used to identify the products of the seller and to differentiate them from those of competitors.
- ▶ **Qualities of a Good Brand Name:** The following factors should be kept in mind while choosing a good brand name:
 - The brand name should be simple, short and easy to pronounce and remember.
 - Brand name should be appropriate to the product's function.
 - The brand name should be unique and distinctive so that the product is easily differentiated.
 - The brand name should be adaptable to packing or labelling requirements.
 - The brand name should be versatile so that it can accommodate any new product added to the line.
 - The brand name should be capable of being registered and protected legally to prevent any kind of imitation by the rivals.

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 Brand is a comprehensive term, which has two components:

- **Brand Name:** Mercedes, Nike, Twitter, Shell, etc.
- **Brand Mark:** Nike ✓, Star of Mercedes ⚡, etc.
- ▶ **Packaging:** It refers to the act of designing and producing the container or wrapper of a product. For example, soft drinks are packed in bottles, heavy goods are packed in boxes, etc. Good packaging often helps in selling the product so it is called a silent salesman.
- ▶ **Levels of Packaging**
 - ▶ **Primary Package:** It refers to the product's immediate container. For example, toffee in a wrapper, a match box.
 - ▶ **Secondary Package:** It refers to additional layers of protection that are kept till the product is ready for use. For example, a colgate toothpaste usually comes in a cardboard box.
 - ▶ **Transportation Package:** It refers to further packaging components necessary for storage, identification and transportation. For example, package of toffees are put into corrugated boxes for storing at a manufacturer's warehouse and for transportation.

► Functions of Packaging

- **Product Identification:** Packaging makes the identification of the product easy. For example, Brooke Bond Tea.
- **Product Protection:** Packaging protects the product from spoilage, breakage, leakage, pilferage, damage, climatic effect, etc.
- **Convenience:** The size and shape of the product from spoilage, breakage, leakage, pilferage, damage, climatic effect, etc.
- **Product Promotion:** Packaging acts as a silent salesman as it promotes the product and increase its sale.
- **Labelling:** A simple looking but important task in the marketing of goods relates to designing the label to be put on the package. The label may vary from a simple tag attached to the product to complex graphics that are part of the package.

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Labelling is the process of attaching or putting labels on the product.

► Functions of Labelling

- **Describing the Product:** The important functions of labels is to describe the product, its usage, cautions in use and specify its contents.
- **Identifying the Product or Brand:** Label makes easier to identify the product with a distinct label.
- **Grading the Products into Different Categories:** Labels help to grade the products into different categories according to their features or quality.
- **Aids in Promotion of the Products:** An important function of label is to help in promotion of the products. A carefully designed attractive label encourages the consumers to buy the product.
- **Pricing:** Price may be defined as the amount of money paid by a buyer or received by a seller in consideration of the purchase of a product or service. Generally, if the price of a product is increased, its demand comes down and *vice-versa*. Pricing is considered to be an effective competitive weapon. It is also the single most important factor affecting the revenue and profits of a firm.

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Price is often used as a regulator of product's demand. According to law of demand, consumers usually demand more at low price than at a higher price.

► Factors Affecting Price Determination

- **Product Cost:** It includes the cost of procuring, producing, distributing and selling of the product. It helps in determining price as it sets the minimum level or floor price at which the product can be sold. After estimating the product cost, such price should be fixed which should cover total costs (fixed costs + variable costs + semi-variable costs) in long run and include a margin of profit as well.

► Pricing Objectives

- **Profit Maximisation:** A firm has two options:
 - (i) **Option-1:** To maximise profit in short run.
 - (ii) **Option-2:** To maximise profit in long run.
- **Obtaining Market Share Leadership:** If the firm wants to obtain market share leadership, it will keep low price of its products to attract greater number of people.
- **Surviving in a Competitive Market:** If the firm is facing difficulties in surviving in a competitive market, it will keep lowest possible price and offer discounts as well.
- **Attaining Product Quality Leadership:** If the firm does expenditure on research and development of its product, it will keep higher prices for its product.
- **Competition in the Market:** It includes level of competition, competitor's prices and reactions and quality and features of competitor's products. Price of a product cannot be fixed without considering the nature and the degree of competition. The price will tend to reach the upper limit in case of lesser degree of competition, while under conditions of stiff competition, price will tend to be set at the lowest level.
- **Utility:** The utility provided by the product and intensity of demand of buyer sets the upper limit of price. The product cost sets the lowest limit of price.
 - Buyer is willing to pay up to a point where:
Utility of the product = Sacrifice made in terms of price paid.
 - Thus, the more utility of the product provides the higher the prices can be set.
- **Government and Legal Regulations:** Government can fix the prices of essential commodities like medicines, petrol, etc., to protect the interest of public against unfair practices. If the firm charges higher price than the price set by government, then the government can take action against the firm.
- **Marketing Methods Used:** Price determination is also affected by the distribution system, quality of salesman employed, quality of advertising, type of packaging, etc. For example, a company can fix relatively higher price for its product if offers free home delivery of its product.
- **Place/Physical Distribution:** Physical distribution includes all those activities that ensure the availability of the product at the right place, at the right time and in right condition so as to facilitate its purchase.

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There are two important decisions relating to this aspect:

- Decision regarding 'Channels of Distribution'.
- Decision regarding 'Physical Movement of Goods'.

► Components of Physical Distribution

- **Order Processing:** Company's physical distribution system should provide for accurate and speedy processing of orders. If order processing is accurate and speedy, customer's satisfaction is enhanced and company's profit are enhanced as well. Speedy and accurate order processing companies can shorten order-to-payment cycle *i.e.*, the time elapsed between the order's receipt, delivery and payment.

- **Transportation:** It means carrying goods and raw materials from point of production to point of sale. It is needed to complete the sale thus creating place utility. For example, Tea produced in Assam has to be transported to all states of India.
- **Warehousing (or Storage):** It refers to the act of storing and assorting products in order to create time utility in them. Its purpose is to arrange placement of goods and provide facilities to store them. Need for warehousing arises because there is a time lag between the production of goods and their sale (or use).
- **Inventory Control:** Managing the level of inventory (or stock) is called inventory control. Inventory control has to be exercised in such a way that it provides satisfaction to consumers along with keeping the cost of carrying goods under control. Various factors have to be kept in mind while deciding inventory levels:
 - Firms policy regarding level of customer service to be offered.
 - Cost of inventory.
 - Degree of accuracy of sales forecast.
 - Responsiveness of distribution system.
- **Channels of Distribution:** These are set of firms and individuals that take title or assist in transferring title to particular goods or services as it moves from the producers to the consumers.
- **Type of Channels**
 - **Direct Channel:** Manufacturer sells the product directly to consumers without using any intermediary.
 - **Indirect Channels:** Manufacturer sells the product through intermediaries. Indirect channels can be of following forms:
 - **One Level Channel:** In this channel, manufacturer employs one intermediary (retailer) to sell goods to consumers.
 - **Two Level Channel:** This channel consists of two types of intermediaries (wholesaler and retailer), through whom manufacturer sell goods to consumers.
 - **Three Level Channel:** This channel consists of three intermediaries (agent, wholesaler and retailer) through whom manufacturer sells goods to consumers.
- **Promotion:** It refers to the set of activities undertaken by a marketer to inform the prospective buyers about the product and persuading them to make a purchase.
- **Promotion Mix:** It is the promotional tools used by an organisation to achieve its communication objectives. The different promotional tools are:
 - **Advertising:** It is the most commonly used tool of promotion. It is an impersonal form of communication, which is paid by the marketers (sponsors) to promote goods and services. Common mediums are newspaper, magazine, television and radio, etc.
 - **Personal Selling:** Oral presentation of message in the form of conversation with one or more prospective customers for the purpose of making sales. Personal selling plays important role for the business persons as well as for the society.
 - **Sales Promotion:** Short-term incentives, which are designed to encourage the buyers to make immediate purchase of a product service. These include promotional efforts other than advertising, personal selling and publicity, used by a company to boost its sales. Commonly used sales promotion activities include rebate, discount, refunds, product combinations, quantity gift, instant draws and assigned gift, lucky draw, usable benefit, full finance @ 0%, sampling and contests, etc.
 - **Public Relations:** It refers to the practice of managing communication between an organisation and its public, in order to create and maintain a positive image about itself and its products.

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 Public Relations Department is especially useful when there is negative publicity about the company or its products.



Practice Exercise



Multiple Choice Questions ➤

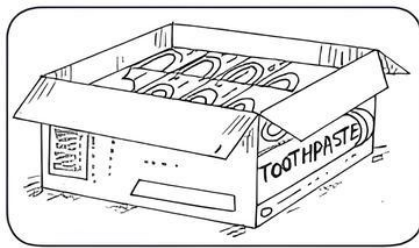
- Q 1. Zolo, a marketer of cars having 40% of the current market share of the country aims at increasing the market share to 70% in next few years. For achieving this objective, the manager of the company specified the action programme covering various aspects. Identify the function of marketing discussed above. (CBSE SQP 2021, Term-1)
- Customer support services
 - Gathering and analysing market information
 - Product designing and development
 - Marketing planning
- Q 2. "Availability and affordability of the product were considered to be the key to the success of a firm." Identify the concept of marketing management highlighted by the statement. (CBSE SQP 2021, Term-1)
- Production concept
 - Product concept
 - Societal marketing concept
 - Marketing concept
- Q 3. Product cost sets the lower limits of the price, the utility provided by the product and the intensity of demand of the buyers sets the upper limit. So, in case of inelastic demand, total revenue when price increases. (CBSE SQP 2021, Term-1)

- a. rises b. falls
c. Both a. and b. d. constant

Q 4. The marketing management philosophy which is based on the premise that any activity which satisfies human needs but does not pay attention to the ethical and ecological aspects of marketing cannot be justified is known as: (CBSE SQP 2021, Term-1)

- a. Marketing concept
b. Societal marketing concept
c. Production concept
d. Product concept

Q 5. The level of packaging of the toothpaste shown in the picture below is:



- a. Primary packaging
b. Secondary packaging
c. Transportation packaging
d. Designer packaging

Q 6. The function of marketing that involves physical movement of goods from one place to another is called: (CBSE 2021, Term-1)

- a. Promotion
b. Transportation
c. Storage and Warehousing
d. Customer Support Services

Q 7. Marketing mix is the set of that the firm uses to pursue its marketing objectives in the target market. (CBSE SQP 2021, Term-1)

- a. production tools b. promotional tools
c. marketing tools d. selling tools

Q 8. involves a variety of programmes designed to promote and protect a company's image and its individual products in the eyes of the public. (CBSE SQP 2021, Term-1)

- a. Advertising b. Personal selling
c. Publicity d. Public relations

Q 9. Match the following marketing concepts in Column I with their main focus in Column II and choose the correct alternative:

Column I	Column II
A. Production concept	(i) Customer need and society's well being
B. Product concept	(ii) Quantity of product
C. Selling concept	(iii) Quality of product
D. Societal concept	(iv) Existing product

- | | |
|---------------------------|---------------------------|
| A B C D | A B C D |
| a. (iv), (iii), (ii), (i) | b. (iii), (i), (iv), (ii) |
| c. (ii), (iv), (i), (iii) | d. (ii), (iii), (iv), (i) |

Q 10. is an important function of marketing which is important not only for protection of the product but also serves as a promotional tool. (CBSE SQP 2021, Term-1)

- a. Grading b. Labelling
c. Packaging d. Branding

Q 11. is a process of classification of products into different groups on the basis of some important characteristics such as quality, size, etc. (CBSE SQP 2021, Term-1)

- a. Standardisation b. Grading
c. Product development d. Selling

Q 12. Which marketing management philosophy lays emphasis on bringing continuous improvement in the quality of the product? (CBSE 2021, Term-1)

- a. Production concept
b. Product concept
c. Marketing concept
d. Societal marketing concept

Q 13. The element of promotion mix which involves a variety of programmes designed to promote or protect a company's image and its individual products in the eyes of the public is: (CBSE 2023)

- a. Personal selling b. Public relations
c. Marketing d. Sales promotion

Q 14. The level of packaging of the chocolate shown in the picture below is: (CBSE 2023)



- a. Secondary packaging
b. Transportation packaging
c. Designer packaging
d. Primary packaging

Q 15. Identify the correct sequence of two level channel of distribution. (CBSE 2023)

- a. Manufacturer → Retailer → Agent → Customer
b. Manufacturer → Consumer → Retailer → Wholesaler
c. Manufacturer → Agent → Customer → Retailer
d. Manufacturer → Wholesaler → Retailer → Consumer

Q 16. Prateek Singh opened a jewellery store 'Fashion Jewels' offering workwear, light jewellery with modern designs for young working women. Good jewellery designs not only made the jewellery attractive for young working women, but also gave him a competitive edge in the market. The jewellery was a hit with working women and 'Fashion Jewels' was able to report a profit of ₹ 3 crore in the first year itself. The function of marketing performed by Prateek Singh in the above case was: (CBSE 2023)

- a. Packaging and labelling
b. Promotion
c. Customer support service
d. Product designing and development

Q 17. Safe Life Technologies Private Ltd. is a renowned pharmaceutical company in India. It has launched a new medicine to treat high blood pressure. To create awareness about the new medicine and to build a positive image about it, the company organised a seminar, which was attended by doctors from various hospitals and dealers in medicines. During the seminar, the representatives of company discussed about the chemical composition and the functioning of the medicine.

Identify the tool of promotion used by 'Safe Life Technologies Private Ltd' in the above case.

(CBSE 2021, Term-1)

- a. Advertising
- b. Sales promotion
- c. Personal selling
- d. Public relations

Q 18. Which of the following activities is not considered to be part of customer support services?

(CBSE 2021, Term-1)

- a. After sales services
- b. Handling customer complaints and adjustments
- c. Procuring credit services
- d. Identifying the needs of the customers and taking various marketing decisions

Q 19. The element of marketing mix by which marketers make use of various tools of communication to encourage exchange of goods and services in the market is called:

(CBSE 2021, Term-1)

- a. Branding
- b. Promotion
- c. Physical distribution
- d. Price

Q 20. Which of the following functions of marketing can improve performance of the product and also give it a competitive advantage in the market by attracting the target customers?

(CBSE 2021, Term-1)

- a. Marketing Planning
- b. Product Designing and Development
- c. Promotion
- d. Branding

Q 21. Which of the following options explains the 'Standardisation and Grading' function of marketing?

(CBSE 2021, Term-1)

- a. It affects the success or failure of a product in the market.
- b. It refers to designing and developing the package for the products.
- c. It helps in achieving uniformity and consistency in the output and classifies products into different groups based on their size.
- d. It reduces the need for inspection of products.

Q 22. 'Product Cost' as a factor affecting price determination of a product includes:

(CBSE 2021, Term-1)

- a. cost of producing, distributing and selling the product
- b. utility provided by the product
- c. nature and degree of competition
- d. maximising profit in the short run

Q 23. Which product related decision is concerned with providing detailed information about the product on its package?

(CBSE 2021, Term-1)

- a. Branding
- b. Packaging
- c. Labelling
- d. Both Branding and Packaging

Q 24. From the following two statements, choose the correct option:

Statement I: If the demand of a product is inelastic, the firm is in a position to fix higher prices.

Statement II: In case, the degree of competition is high, the firm is in a position to set high prices.

Choose the correct option from the options given below:

(CBSE SQP 2021, Term-1)

- a. Statement I is correct and statement II is incorrect.
- b. Statement II is correct and statement I is incorrect.
- c. Both the statements are correct.
- d. Both the statements are incorrect.

Q 25. From the following two statements, choose the correct option:

Statement I: Advertising is an impersonal form of communication.

Statement II: Advertising lacks direct feedback.

Choose the correct option from the options given below:

(CBSE SQP 2021, Term-1)

- a. Statement I is correct and II is incorrect.
- b. Statement II is correct and I is incorrect.
- c. Both the statements are correct.
- d. Both the statements are incorrect.

Q 26. One of the important decision areas under the marketing function of.....is managing inventory.

(CBSE SQP 2022-23)

- a. branding
- b. pricing
- c. promotion
- d. physical distribution

Q 27. One of the following is considered to be an extension of the marketing concept, which apart from customer satisfaction pays attention to ethical and ecological aspects of marketing. Identify the concept.

(CBSE SQP 2022-23)

- a. Selling concept
- b. Product concept
- c. Production concept
- d. Societal marketing concept

Q 28. While the product costs set the lower limits of the price for a product, the upper limit of price which a buyer would be prepared to pay is decided by:

(CBSE SQP 2022-23)

- a. Utility and demand of the product
- b. The marketing manager of the firm
- c. The government
- d. The competitors of the firm

Q 29. Which of the following statements about advertising is incorrect ?

(CBSE SQP 2022-23)

- a. It is a personal form of communication.
- b. It is a paid form of communication.
- c. It is a mass selling technique.
- d. It is inflexible as the message can't be adjusted to the needs of the buyer.

Q 30. Statement I: Labelling acts as a silent salesman. Statement II: It helps in the promotion of products by attracting the attention of customers and providing required information.

Choose the correct option from the options given below:

- a. Statement I is true and II is false.
- b. Statement II is true and I is false.
- c. Both the statements are true.
- d. Both the statements are false.

Q 31. Statement I: An established brand name enables the firm to charge prices higher than the competing products.

Statement II: Many companies with established brand names decide to introduce new products in the new name.

Choose the correct option from the options given below:

- a. Statement I is true and II is false.
- b. Statement II is true and I is false.
- c. Both the statements are true.
- d. Both the statements are false.

Q 32. Statement I: Advertising costs are passed on to consumers in the form of lower prices.

Statement II: Advertising helps in increasing sales and thereby reducing cost.

Choose the correct option from the options given below:

- a. Statement I is true and II is false.
- b. Statement II is true and I is false.
- c. Both the statements are true.
- d. Both the statements are false.

Q 33. Statement I: Personal selling reaches a limited number of people.

Statement II: Personal selling is highly flexible as the message can be adjusted.

Choose the correct option from the options given below:

- a. Statement I is true and II is false.
- b. Statement II is true and I is false.
- c. Both the statements are true.
- d. Both the statements are false.

Q 34. Statement I: The concept of product relates to not only the physical product but also the benefits offered by it from customer's point of view.

Statement II: The concept of product does not include the extended product by way of after sale services, availability of spare parts, handling complaints, etc.

Choose the correct option from the following:

(CBSE 2023)

- a. Both statement I and statement II are correct.
- b. Both statement I and statement II are incorrect.
- c. Statement I is correct and statement II is incorrect.
- d. Statement I is incorrect and statement II is correct.

Q 35. A name, term, sign, symbol, design or some combination of them used to identify the products—goods or services of one seller or group of sellers and to differentiate them from those of the competitors is known as:

(CBSE 2023)

- a. Brand
- b. Brand mark
- c. Brand name
- d. Trade mark

Q 36. From the following, identify the channel of distribution in which goods pass from the manufacturer to the retailers who, in turn, sell them to the final users.

(CBSE 2023)

- a. One level channel
- b. Two level channel
- c. Three level channel
- d. Zero level channel

Q 37. The most commonly used tool of promotion which is a paid form of communication and in which the sponsor bears the cost of communicating with the prospects is:

(CBSE 2023)

- a. advertising
- b. personal selling
- c. sales promotion
- d. public relations

Q 38. Which of the following statements is incorrect about Personal Selling?

(CBSE 2023)

- a. It is a direct face-to-face dialogue that involves an interactive relationship between the seller and buyer.
- b. It refers to short-term incentives designed to encourage the buyers to make immediate purchase of a product or service.
- c. It allows a sales person to develop personal relationship with the prospective customers.
- d. In this it is possible to take a direct feedback from the customer and to adopt the presentation according to the needs of the prospects.

Q 39. A bottle of anti-dandruff shampoo mentions "clean your hair and get rid of dandruff in one squeeze." The product related decision involved is:

(CBSE SQP 2023-24)

- a. Branding
- b. Product quality
- c. Packaging
- d. Labelling

Q 40. Name the function of marketing which is effective in bringing repeat sales from the customers and developing brand loyalty for a product.

(CBSE SQP 2023-24)

- a. Standardisation and grading
- b. Promotion
- c. Customer support services
- d. Packaging and labelling

Q 41. Choose the incorrect statement about pricing objectives as a factor affecting the price of a product:

(CBSE SQP 2023-24)

- a. If a firm's objective is to maximise profits in the short-run, it should charge maximum price for its products.
- b. If a firm's objective is to capture market share, it should keep low price of its product.
- c. If a firm wants to attain product quality leadership, it should charge lower prices.
- d. If a firm is facing problems in survival due to stiff competition, it may offer discount on its products.

Q 42. Match the following tools of promotion with their explanation and choose the correct option:

(CBSE SQP 2023-24)

Column I	Column II
A. It is undertaken by some identified person/company who makes efforts and bears the cost of it.	(i) Personal selling

B. It plays an important role at the awareness stage and develops product preferences with the aim of making sale.	(ii) Sales promotion
C. It helps in managing public opinion and company's relation with the public on regular basis.	(iii) Advertising
D. It uses tools specifically designed to promote to customers, middlemen and to salespersons.	(iv) Public relations

A B C D	A B C D
a. (iii), (i), (iv), (ii)	b. (i), (iii), (iv), (ii)
c. (ii), (iii), (iv), (i)	d. (ii), (iv), (i), (iii)

Q 43. Statement I: For products requiring long-term storage like agricultural products, the warehouses are located near to the market.

Statement II: Higher the level of inventory, higher will be the level of service to customers but the cost of carrying the inventory will also be high.

Choose the correct option from the following:

(CBSE SQP 2023-24)

- Statement I is true and II is false.
- Statement II is true and I is false.
- Both the statements are true.
- Both the statements are false.



Assertion & Reason Type Questions

Directions (Q. Nos. 44-53): There are two statements marked as Assertion (A) and Reason (R). Read the statements and choose the appropriate option from the options given below:

- Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
- Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
- Assertion (A) is true, but Reason (R) is false.
- Assertion (A) is false, but Reason (R) is true.

Q 44. Assertion (A): A company should not produce anything (say drugs), just to satisfy a customer.

Reason (R): As per societal marketing concept, any activity which satisfies human needs but is detrimental to the interests of the society at large cannot be justified.

Q 45. Assertion (A): Maggie (Noodles) extended this brand name to introduce many of its new products such as Tomato Ketchup, Soups, etc.

Reason (R): Branding helps in advertising and display programmes.

Q 46. Assertion (A): Companies like Samsung, Motorola, etc., decide the price their products after considering the price set by competitor firms.

Reason (R): They believe in ascertaining price only on the basis of the worth of their product, product cost, pricing objectives, etc.

Q 47. Assertion (A): Labelling is also an important feature of the product.

Reason (R): It is not only protects the product but also serves as a promotional tool.

Q 48. Assertion (A): Events like fashion show, experience like lunch with a celebrity can also be marketed.

Reason (R): Anything that is of value to the other can be marketed.

Q 49. Assertion (A): Advertising and sales promotion are different from each other.

Reason (R): Advertising is a short-term perspective whereas sales promotion is a long-term perspective.

Q 50. Assertion (A): Advertising is a costly affair.

Reason (R): It requires a huge amount of money to advertise on newspaper, TV, etc.

Q 51. Assertion (A): From package of chips, cosmetics, etc., people can make some guess about quality of the product contained in it.

Reason (R): Packaging helps in product protection.

Q 52. Assertion (A): No other firm can use the brand mark of 'Nike' in the country.

Reason (R): 'Nike' has taken legal protection for its brand mark and thus it has exclusive right for its use.

Q 53. Assertion (A): Tata differentiates its three qualities of tea with three different labels (Tata Agni, Tata Premium and Tata Gold).

Reason (R): Labelling helps to describe a product and specify its contents.

Answers

- (d) Marketing planning
- (a) Production concept
- (a) rises
- (b) Societal marketing concept
- (c) Transportation packaging
- (b) Transportation
- (c) marketing tools
- (d) Public relations
- (d) A-(ii), B-(iii), C-(iv), D-(i)

- (c) Packaging
- (b) Grading
- (b) Product concept
- (b) Public relations
- (d) Primary packaging
- (d) Manufacturer → Wholesaler → Retailer → Consumer
- (d) Product designing and development
- (d) Public relations

18. (d) Identifying the needs of the customers and taking various marketing decisions
19. (b) Promotion
20. (b) Product Designing and Development
21. (c) It helps in achieving uniformity and consistency in the output and classifies products into different groups based on their size.
22. (a) Cost of producing, distributing and selling the product.
23. (c) Labelling
24. (a) Statement I is correct and statement II is incorrect.
25. (c) Both the statements are correct.
26. (d) physical distribution
27. (d) Societal marketing concept
28. (a) Utility and demand of the product
29. (a) It is a personal form of communication.
30. (c) Both the statements are true.
31. (a) Statement I is true and II is false.
32. (d) Both the statements are false.
33. (c) Both the statements are true.
34. (a) Both statement I and statement II are correct.
35. (a) Brand
36. (a) One level channel
37. (a) advertising
38. (b) It refers to short-term incentives designed to encourage the buyers to make immediate purchase of a product or service.
39. (d) Labelling
40. (c) Customer support services
41. (c) If a firm wants to attain product quality leadership, it should charge lower prices.
42. (a) A-(iii). B-(i). C-(iv). D-(ii)
43. (b) Statement II is true and I is false.
44. (b) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
45. (c) Assertion (A) is true, but Reason (R) is false.
46. (d) Assertion (A) is false, but Reason (R) is true.
47. (c) Assertion (A) is true, but Reason (R) is false.
48. (b) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
49. (c) Assertion (A) is true, but Reason (R) is false.
50. (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
51. (c) Assertion (A) is true, but Reason (R) is false.
52. (b) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
53. (c) Assertion (A) is true, but Reason (R) is false.



Case Study Based Questions

Case Study 1

Read the extract given below and answer the questions on the basis of the same:

Yamuna Prasad, a small shopkeeper in Bikaner, Rajasthan used to sell the famous 'Bhujia-Sev'. It was a quick selling product for locals and foreign tourists. His second generation expanded the business and got 'Yamuna Ki Bhujia' registered with concerned authorities. Gradually, the brand offered a wide range of products to its customers like namkeen, sweets, bakery items, etc. However, 'Bhujia-Sev' remained the most popular product of the brand creating maximum revenue. 'Yamuna Ki Bhujia' offered its products at competitive prices even while offering customer services like gift packaging and free home delivery to become a household name. Now it has virtually become a synonym for 'Bhujia-Sev' in the market, so much that people ask for 'Yamuna Ki Bhujia' instead of 'Bhujia-Sev'. 'Yamuna Ki Bhujia' has developed a strong distribution network in India and abroad by setting up retail outlets and reaching out to the customer through internet selling.

Promotion of the brand had always been low profile, till the increase in competition pushed it to hire the services of a professional advertising agency, Vigyapan Pvt. Ltd. for promoting the product. On the advice of Vigyapan Pvt. Ltd., 'Yamuna Ki Bhujia' has also worked upon managing public opinion by developing relations with the masses through sponsoring cultural and sporting events, maintenance of public parks, etc.

(CBSE SQP 2020)

- Q 1. "His second generation expanded the business and got 'Yamuna Ki Bhujia' registered with concerned authorities."

With reference to the given text 'Yamuna Ki Bhujia' is a giving it a legal protection against its use by anyone else.

- a. brand value
- b. trade mark
- c. trait mark
- d. brand mark

- Q 2. 'Yamuna Ki Bhujia' offered its products at competitive prices even while offering customer services like gift packaging and free home delivery to become a household name.

Identify the factor affecting the element of marketing mix being discussed above.

- a. Marketing methods used
- b. Objectives
- c. Extent of competition in the market
- d. Product cost

- Q 3. 'Yamuna Ki Bhujia' has developed a strong distribution network in India and abroad by setting up retail outlets and reaching out to the customer through internet selling.

Identify the decision related to the element of marketing mix being discussed above.

- a. Storing and assorting products in order to create time utility
- b. Regarding the channels or using intermediaries
- c. Both a. and b.
- d. One regarding branding, packaging and labelling

Q 4. On the advice of Vigyapan Pvt. Ltd. 'Yamuna Ki Bhujia' has also worked upon managing public opinion by developing relations with the masses through sponsoring cultural and sporting events, maintenance of public parks, etc.

Name the department in the organisation which is generally responsible for performing the above important task of managing public opinion.

- a. Marketing department
- b. A separate department created in the firm for the purpose
- c. An outside agency
- d. All of the above

Answers

1. (b) 2. (a) 3. (b) 4. (d)

Case Study 2

Read the extract given below and answer the questions on the basis of the same:

Mr. Sohan Seth has set up his enterprise 'Apparels Ltd.' to manufacture different types of apparels.

But he is confused regarding the philosophy or approach that would guide his thinking for marketing of his products and thereby enhancing his profits. So, he constituted four teams who would advice him regarding the same.

Team 1, came with the proposal to produce at a large scale thereby reducing the per unit cost of production thereby increasing profits.

Team 2, suggested that firms should focus on the quality of products rather than the quantity to increase profits.

Team 3, suggested that profits can be increased only when aggressive selling and promotional efforts are performed. Mere focussing on quality and quantity won't suffice.

Team 4, put forward a different view altogether. It suggested that firms can achieve the objective of profit maximisation by finding out needs and requirements of customers and satisfying them in an effective manner.

After listening to the views of all 4 teams, Sohan Seth decided to go by the opinion of team 4 and adopt the strategy put forward by them is pursuing the marketing efforts of the firm.

Q 1. Which marketing philosophy is put forward by Team 1?

- a. Product concept
- b. Production concept
- c. Selling concept
- d. Societal marketing concept

Q 2. Which marketing philosophy is suggested by Team 2?

- a. Production concept b. Selling concept
- c. Product concept d. Marketing concept

Q 3. Which marketing philosophy is suggested by Team 3?

- a. Production concept b. Marketing concept
- c. Product concept d. Selling concept

Q 4. Which marketing philosophy is adopted by Sohan Seth after considering all the proposals?

- a. Marketing concept
- b. Societal marketing concept
- c. Selling concept
- d. Product concept

Answers

1. (b) 2. (c) 3. (d) 4. (a)

Case Study 3

Read the extract given below and answer the questions on the basis of the same:

'Masala Mix' is a famous chain selling a large variety of products in the Indian market. Their products include chips, biscuits, sweets and squashes. It charges a comparatively higher price than its competitors as it sells quality products. Besides, it offers regular discounts to its customers and easy credit terms to its retailers. It has five of its own retail shops.

It also sells its products through various grocery stores so that the products are made available to customers at the right place, in the right quantity and at the right time. It regularly uses different communication tools to increase its sales. But it is also concerned about the impact as the potential customers or the prospects can't be delivered the message compulsively. So, there is one scheme the company has decided to launch where chips will be provided with an additional cold drink for a particular time period. It not only satisfies its customers but also provides employment to handicapped people.

Q 1. The above paragraph describes the combination of variables used by 'Masala Mix' to prepare its market offering. The combination of variables used by 'Masala Mix' to prepare its market offering is termed as:

- a. Promotion mix b. Sales mix
- c. Price mix d. Marketing mix

Q 2. "It also sells its products through various grocery stores so that the products are made available to customers at the right place, in the right quantity and at the right time."

Identify the element of marketing mix stated above.

- a. Product
- b. Price
- c. Place
- d. Promotion

Q 3. Identify the sales promotion technique decided to be used by 'Masala Mix'.

- a. Product combination
- b. Rebate
- c. Quantity plus
- d. Usable benefits

Q 4. Identify the marketing management philosophy being followed by 'Masala Mix'.

- a. Product
- b. Production
- c. Marketing
- d. Societal marketing

Answers

1. (d) 2. (c) 3. (a) 4. (d)

Case Study 4

Read the extract given below and answer the questions on the basis of the same:

RTS Ltd. launched 'Buddyline', an exercise book and comprehensive stationery brand name comprising of ball pens, gel pens and geometry boxes after identifying the target market and understanding the needs and wants of the consumers of that market. All their products were of good quality and eco-friendly but expensive. They wanted to distinguish their products from that of their competitors. They spent lot of efforts, time and money in creating the brand name, as they knew that without a brand name, they can only create awareness for the generic products and can never be sure of the sale of their products. The effort paid off and the demand for the products started growing. The customers liked the brand and became habitual to it. They did not mind paying a higher price. Over a period of time, it became a status symbol to buy 'Buddyline' brand because of its quality. The consumers felt pride in using them.

Q 1. Identify the marketing management philosophy followed by RTS Ltd.

Ans. Societal marketing philosophy.

Q 2. Explain the advantages of branding to the marketers highlighted in the above case.

Ans. Advantages of branding highlighted in the above case are:

- (i) Helps in product differentiation.
- (ii) Helps in advertising and display programmes.
- (iii) Differential pricing.

Case Study 5

Read the extract given below and answer the questions on the basis of the same:

Traditional Trade or Kirana Stores constitute 90% of the FMCG (Fast Moving Consumer Goods) business in India. CPL is the market leader in FMCG with over 65 lakh outlets. According to industry estimates, Patanjali products are currently available in two lakh traditional retail outlets. 'Availability of the product'

is the single largest driver of FMCG sales. A shopper research suggests that 35%-45% consumers shift preference if their favourite brand is not available at the store.

Q 1. Identify the component of marketing mix being discussed in the above lines.

Ans. The component of marketing mix being discussed in the above lines is place/physical distribution.

Q 2. State the two main decisions related to the concept identified in question (1).

Ans. The two main decisions involved in physical distribution are:

- (i) Physical movement of goods from producers to consumers.
- (ii) Choice of channels of distribution.

Case Study 6

Read the extract given below and answer the questions on the basis of the same:

'Super Cool Drinks India Ltd.' have scanned a profitable opportunity for marketing of soft drinks with India Traditional Flavour. The company wants to market its products in India and in neighbouring countries. A board meeting of the company was held on 14th December, 2018 wherein the marketing manager was asked to give a presentation to develop this market offering. For this, it was also decided to set up its manufacturing unit in a village of U.P. This will not only help in the development of the village but will also provide employment to the youth of that village. The marketing manager chooses a combination of variables to prepare its market offering. He used a set of marketing tools that firm will use to pursue its marketing objectives in the target market.

Q 1. Name and state the concept of marketing used by the marketing manager for creating its market offering.

Ans. The concept of marketing used by the marketing manager is 'social concept'.

The task of any organisation is to:

- (i) identify needs of customers and satisfy them better than competitors.
- (ii) take care of society.

Q 2. Also, explain briefly the various elements of this concept.

Ans. Various elements of social concept are:

- (i) **Focus:** Customer needs and society well-being.
- (ii) **Means:** Integrated marketing in respect of product, price, promotion and physical distribution.
- (iii) **Ends:** Profit through customer satisfaction and social welfare.
- (iv) **Starting Point:** Market, society.



Very Short Answer Type Questions

Q 1. Define market in modern sense.

Ans. Market refers to set of actual and potential buyers of a product or services.

For example, market for fans or bicycles or shampoos refers to all the actual and potential buyers for these products.

Q 2. Why is marketing called a social process?

Ans. Marketing is regarded as a social process, whereby people exchange goods and services for money or something of value to them.

Q 3. Which marketing management philosophy suggests that the organisation should earn profit through consumer satisfaction?

Ans. Marketing concept.

Q 4. Define marketing mix.

Ans. It is the set of marketing tools that the firm uses to pursue its marketing objectives in the target market. The four P's of marketing mix are product, price, place and promotion.

Q 5. Define standardisation as a function of marketing.

Ans. It refers to producing goods of pre-determined specifications, which help in achieving uniformity and consistency in the output.

Q 6. Name the element of marketing mix which affects the revenue and profits of a firm.

Ans. Price

Q 7. What are the two major decision-areas under physical distribution function of marketing?

Ans. (i) Decisions regarding channel of distribution.
(ii) Physical movement of the products from producer to the consumer.

Q 8. Define promotion mix.

Ans. It refers to the combination of promotional tools used by an organisation to achieve its communication objectives. For example, advertising, personal selling, sales promotion and public relations, etc.

Q 9. "A toy car free with Maggie noodles" is an example of one of the technique of sales promotion. Name the technique.

Ans. Product combinations.

Q 10. Give two examples of statutory warnings mentioned on the label of a product.

Ans. (i) Smoking is injurious to health.
(ii) Chewing tobacco is injurious to health.

Q 11. How does labelling act as a silent salesman?

Ans. Labelling functions as a silent salesman since it aids in product promotion by drawing clients, attention and delivering necessary information.

Q 12. When is three level channel of distribution used?

Ans. It is used when the manufacturer carries a limited product-line and has to cover a wide market. An agent in each major area is appointed, who in turn, contacts the wholesalers.

Q 13. Mention any two features of advertising.

Ans. (i) Paid form of communication.
(ii) Non-personal form of communication.

Q 14. What is meant by generic name of a product?

Ans. It refers to the name of the product. For example, a book, a wrist watch, etc.

Q 15. What is the advantage of registering trade mark?

Ans. The advantage of registering trade mark is to get an exclusive right to use it.

Q 16. Name any two print medias of advertising.

Ans. Magazines, Newspapers.

Q 17. Name the non-paid and non-personal form of promotional tool.

Ans. Publicity.

Q 18. Name the sales promotion technique in which scratch cards are used?

Ans. It is Instant draw and assigned gift.

Q 19. What is meant by channels of distribution?

Ans. Channels of distribution are set of firms and individuals that take title or assist in transferring title to particular goods or services as it moves from the producers to the consumers.

Q 20. What is meant by public relations?

Ans. Public relations refer to a variety of programmes to promote and protect a company's image or its products in the eyes of the public.



Short Answer Type-I Questions

Q 1. Name and state the process that is used by a producer when he wants to market his products by a name other than its generic name. Also state any two terms that are related to the process.

(CBSE 2016)

Ans. Branding is the process that is used by the producer. It is a process of giving a name, a sign or a symbol etc., to a product.

Terms related to branding are:

(i) **Brand Name:** The part of brand which can be spoken is called brand name. For example, Asian Paint, Maggie, Uncle Chips, etc.

(ii) **Brand Mark:** The part of a brand which can be recognised only but cannot be spoken is called brand mark. It appears in the form of a symbol, design or distinct colour scheme. For example, brand mark of Nike.

Q 2. Ginika, Tanish and Rohit were friends from college days and now they are doing different kinds of business. They regularly meet and discuss their business ideas and exchange notes on customer satisfaction, marketing efforts, product designing, selling techniques, social concerns, etc. In one of such meetings, Ginika drew the attention of Tanish and Rohit towards the exploitation of consumers. She told that most of the sellers were exploiting the consumers in various ways and were not paying

attention towards the social, ethical and ecological aspects of marketing, whereas she was not doing so. Tanish told that they were under pressure to satisfy the consumers, but stated that the consumers would not buy or not buy enough unless they were adequately convinced and motivated for the same. Rohit stressed that a company cannot achieve its objectives without understanding the needs of the customers. It was the duty of the businessman to keep consumer satisfaction in mind because business is run by the resources made available to them by the society. He further stated that he himself was taking into consideration the needs of the customers.

Identify the various types of thinking that guided Ginika, Tanish and Rohit in the marketing efforts of their business. Also, state one more feature of the various types of thinking identified that is not given in the above para. (CBSE 2017)

Ans. Various types of thinking that are discussed below:

- By Ginika : Societal Marketing Concept
- By Tanish : Selling Concept
- By Rohit : Marketing Concept

Features of thinking that are not discussed in the given case are:

- (i) **Societal Marketing Concept:** It is the extension of the marketing concept as supplemented by the concern for the long-term welfare of the society. This concept emphasise that along with customer's satisfaction, due importance should given to welfare of the customer and the society.
- (ii) **Selling Concept:** It assumes that the customers would not buy or not buy enough, unless they are adequately convinced and motivated to do so, it is believed that aggressive selling and promotional efforts are important to make customers buy their products. According to this concept, firms believe that aggressive selling and promotional efforts will convince a customer to buy the product.
- (iii) **Marketing Concept:** It implies that focus on satisfaction of customer's needs is the key to the success of any organisation in the market. Marketing emphasise that firms can achieve the objective of profit maximisation by finding out needs and requirements of customers and satisfying them in an effective manner.

Q 3. "Every time I travelled people asked me to bring them chips, khakra and pickles from all over the country," says Anoushka. Finally, she and her colleague, Sumeet, decided to make a business out of it. They launched a Facebook page, asked people what they wanted, and they came up with a list of about 100 places and tied-up with two dozen vendors to begin with. They were servicing

people from Jaipur who wanted spices from Kerala, people from Panipat who wanted halwa from Jammu and people from Delhi who ordered fresh tea leaves from Darjeeling. Through their business, they wished to bridge the gap between sellers and buyers. The business is now worth millions.

Explain any two important activities that Anoushka and Sumeet will have to be involved in for making the goods available to customers at the right place, in the right quantity and at the right time.

Ans. Anoushka and Sumeet need to perform the activities involved in physical distribution of goods.

Two such activities are explained below:

- (i) **Transportation:** It means carrying goods and raw materials from point of production to point of sale. It is needed so as to complete the sale thus creating 'place utility'.

For example, tea produced in Assam has to be transported to all states of India.

- (ii) **Warehousing (or Storage):** It refers to the act of storing and assorting products in order to create time utility in them. Its purpose is to arrange placement of goods and provide facilities to store them. Need for warehousing arises because there is a time-lag between the production of goods and their sale (or use).

Q 4. Crackers Ltd., a fire-cracker manufacturing company, launched some new products on eve of Diwali which attracted many buyers. To meet the increased demand, the company employed children from nearby villages. Although the product was in great demand, appropriate safety warnings for use were not mentioned on the packets that led to many accidents.

Identify and explain the important product related decision that was not taken into consideration by the company.

Ans. The company has ignored 'Labelling'. It is an important product related decision.

- (i) Labelling refers to designing and developing the label to be put on the package.
- (ii) It is one of the most important product decisions as it helps to identify the product or brand very easily.

Q 5. ABC Crackers Ltd., a fire-cracker manufacturing company, launched some new products on the eve of Diwali in the market which attracted many buyers. To meet the increased demand, the company employed people from nearby villages where there was a lot of unemployment. Because of the good behaviour of the management with the employees, more and more people wanted to join the company. As the products were in great demand in the market, a competitor imitated the products. The products of the competitor were not accepted by the consumers as it was a status symbol to buy

the product of ABC Crackers Ltd. because of their quality. Identify and explain the product related decision because of which consumers preferred the products of ABC Crackers Ltd.

Ans. 'Branding' is the product related decision because of which consumers preferred the products of ABC Crackers Ltd.

Branding: The process of giving a name, sign or symbol to a product is called branding.

Advantages:

- (i) It helps to create product differentiation.
- (ii) It helps in building customer's loyalty.

Q 6. Ajay was appointed as the marketing head of Alfa Enterprise, a manufacturer of toothpastes and toothbrushes. His target sale was 2,000 units in a month. Apart from thinking about various channels of distribution to achieve the target, he himself started visiting schools in backward areas. He found that even after taking various steps and counselling, some school children had not started brushing their teeth. He investigated and found that they could not start brushing their teeth. He investigated and found that they could not afford to buy toothbrush and toothpaste. So with due permission, he started donating 200 toothbrushes and toothpastes every month to the school.

Identify the channel of distribution Ajay would adopt for the distribution of toothpaste and toothbrushes and justify it by giving one reason.

Ans. Ajay would adopt indirect channels of distribution of marketing of toothpaste and toothbrushes because it is a consumer product. It can be easily marketed through longer channels. For example, (Manufacturer → Wholesaler → Retailer → Consumer).

Q 7. Amar is engaged in the manufacturing of refrigerators. He surveyed the market and found that customers need a refrigerator with a separate provision of water cooler in it. He decided and launched the same refrigerator in the market. Identify and explain the marketing philosophy involved.

Ans. Amar is follow the philosophy of marketing concept. According to marketing concept, it implies that focus on satisfaction of customer's needs is the key to the success of any organisation in the market. Marketing emphasise that firms can achieve the objective of profit maximisation by finding out needs and requirements of customers and satisfying them in an effective manner.

Q 8. Mansi, a shoe manufacturer for school students, decided to maximise profits by producing and distributing shoes on a large scale and thus reducing the average cost of production. Identify and explain the marketing management philosophy adopted by Mansi.

Ans. Mansi has adopted the production philosophy.

Production Concept: It assumes that availability and affordability of the product are the key to the success of a firm and puts greater emphasise on improving the production and distribution efficiency of the firms. According to this concept, profits could be maximised by producing at large scale, thereby reducing the per unit cost of production.

Q 9. Give the meaning of the term 'Marketing'. In modern times, marketing is described as a social process. Comment.

Ans. Marketing is referred to as the social process of exchange of goods and services for money or for something of value to them. It is a social process because it involves interaction of people (buyers and sellers) and focusses on needs and wants of people. It is focussed on meeting needs profitably.

Q 10. Enlist the various pillars on which modern definition of marketing is based.

Ans. Modern definition of marketing is based on the following pillars:

- (i) Identification of market (or customers).
- (ii) Understanding needs and wants of customers.
- (iii) Developing goods and services to satisfy customers needs.
- (iv) Satisfying customer needs better than competitors.

Q 11. Marketing and selling ordinarily carry the same meaning but modern thinkers differentiate between the two on various grounds. Differentiate between the two of them on any three such grounds.

Ans. The differences between Marketing and Selling are:

S. No.	Basis of Difference	Marketing	Selling
(i)	Meaning	Marketing means identifying customers needs and satisfying them.	Selling means exchanging goods for money.
(ii)	Alm/ Objective	Profit maximisation through customer satisfaction.	Profit maximisation through sales maximisation.
(iii)	Scope	It has wider scope, because it consists number of activities such as identification of customer needs, developing products to satisfy them, fixing prices, etc.	It has limited scope, because it is only a part of marketing which is concerned with promotion of the sale of products.

Q 12. Is marketing only a business phenomenon? Comment.

Ans. Marketing is not merely a business phenomenon or confined only to business organisations because

marketing activities are equally relevant to non-profit organisations such as hospitals, schools, sports clubs and social and religious organisations. It helps these organisations in achieving their goals such as spreading the message of family planning, improving the literacy standards of people and providing medication to the sick.



Short Answer Type-II Questions

- Q 1. Since childhood, Niru and Janak had been watching their grandmother procuring wheat from the market, washing it well, drying it and getting it converted into atta. They conducted a survey to collect data to identify whether there is demand for readymade atta and realised that with the growing number of working women, it is the need of the hour to manufacture high quality atta. They named their product 'Srijan Atta' and set up 'Srijan Atta Factory', at Jaunpur Village. To penetrate in the market, they decided to keep the price low. For maintaining smooth flow of their product into the market and avoiding delays in delivery, it was decided to store wheat at SKM Services which had scientific processes and logistics facilitating quick delivery.

By quoting the lines from the above paragraph, state four marketing functions undertaken by Niru and Janak for successful marketing of 'Srijan Atta'.

Ans. Functions of marketing discussed in above paragraph are:

- (i) Gathering and analysing market information

Quoted Lines: "They conducted a survey to collect data to identify whether there is demand for readymade atta."

- (ii) Branding

Quoted Lines: "They named their product 'Srijan' Atta."

- (iii) Pricing of product

Quoted Lines: "They decided to keep the price low."

- (iv) Storage or warehousing

Quoted Lines: "It was decided to store wheat at SKM Services..."

- Q 2. Vindhya Ayurved Ltd., a new and leading manufacturer of herbal and ayurvedic medicines and grocery products, has captured a large share of the market in a short span of time. The Research & Development (R & D) department of the company spends considerable time and effort in developing eco-friendly, chemical-free and healthy alternatives for a variety of products of daily use, from toothpaste to biscuits, instant noodles to soaps, shampoos and detergents, etc. Their business orientation differs from competitors who are short-sighted and want to maximise profit by maximising sales. Instead

Vindhya Ayurved considers maximisation of profit by understanding needs and wants of customers in the target market and development of products of services for satisfying such needs and wants.

Identify and explain the marketing management philosophy adopted by Vindhya Ayurved Ltd.

(CBSE 2017)

Ans. The marketing management philosophy adopted by Vindhya Ayurved Ltd. is marketing concept.

It implies that focus on satisfaction of customer's needs is the key to the success of any organisation in the market. Marketing emphasise that firms can achieve the objective of profit maximisation by finding out needs and requirements of customers and satisfying them in an effective manner.

- Q 3. After acquiring the necessary knowledge and skills on starting an Alovera Farm, Ashok wanted to be the leading manufacturer of Alovera products worldwide. He observed that the products were expensive as the demand of the products was more than the supply. He was also keen to promote methods and practices that were economically viable, environmentally sound and at the same time protecting public health.

Ashok's main consideration was about the amount of money paid by the consumers in consideration of the purchase of Alovera products. He also thought that competitors prices and their anticipated reactions must also be considered for this. After gathering and analysing information and doing correct marketing planning, he came to know that the consumers compare the value of a product to the value of money which they are required to pay. The consumers will be ready to buy a product when they perceived that the value of the product is at least equal to the value of money which they would pay.

Since he was entering into a new market, he felt that he may not be able to cover all costs. He knew that in the long-run the business will not be able to survive unless all costs are covered in addition to a minimum profit.

He examined the quality and features of the products of the competitors and the anticipated reactions of the consumers. Considering the same he decided to add some unique features to the packaging and also decided to provide free home delivery of the products.

The above case relates to a concept which is considered to be an effective competitive marketing weapon. In conditions of perfect competition, most of the firms compete with each other on this concept in the marketing of goods and services.

- (i) Identify the concept.

- (ii) Explain briefly any three factors discussed in the above case related to the concept so identified.

- Ans. (i) The concept used here is pricing of product.
 (ii) Three factors discussed in the above case are:
(a) Marketing Methods Used: Price determination is also affected by the distribution system, quality of salesman employed, quality of advertising, type of packaging, etc. For example, a company can fix relatively higher price for its product, if offers free home delivery of its product.
(b) Competition in the Market: It includes level of competition, competitor's prices and reactions, quality and features of competitor's products. Price of a product cannot be fixed without considering the nature and the degree of competition. The price will tend to reach the upper limit in case of lesser degree of competition, while under conditions of stiff competition, price will tend to be set at the lowest level.
(c) Utility: The utility provided by the product and intensity of demand of buyer sets the upper limit of price. The product cost sets the lowest limit of price.
- Buyer is willing to pay up to a point where: Utility of the product = Sacrifice made in terms of price paid.
 - Thus, the more utility the product provides the higher the prices can be set.

Q 4. Market refers to a place where buyers and sellers gather to enter into a transaction involving exchange of goods and services on the basis of the above definition. Enlist the various types of market with example.

Ans. Various types of market are:

- (i) **Based on Product:** Cotton market, gold or share market.
- (ii) **Based on Geographic Location:** National and international market.
- (iii) **Based on Types of Buyers:** Consumer market and industrial market.
- (iv) **Based on Quantity of Goods Transacted:** Retail market and wholesale market.

Q 5. "Marketing management is done to ensure creation of demand." Do you agree? Does marketing management always ensure only creation of demand for goods and services in the market?

Ans. No, marketing management is not just restricted to creation of demand for goods and services. In certain situation, the manager has to restrict the demand. For example, if there is a situation of overfull demand, i.e., the demand being more than what the company want to handle. The job of marketing managers, in these situations would be, to find ways to reduce the demand temporarily by say reducing the expenditure on promotion or increasing the prices.

Similarly, if the demand is 'irregular', such as in case of seasonal products (say fans, woollen) the marketer's job is to change the time pattern of demand through such methods as providing short-term incentives, to the buyers.

Thus, the marketing management is not only concerned with creating demand but with managing the demand effectively as per the situation in the market.

Q 6. Shyam bought a pain relieving ointment after seeing it being displayed in the chemist's shop. The ointment tube was packed in a cardboard box. Identify the different levels of packaging of the pain relieving medicine, when it was purchased by Shyam. Also state one function of packaging.

Ans. Different levels of packaging used for pain relieving medicine are:

- (i) **Primary Packaging:** It refers to the products immediate container. In some cases, the primary package is kept till the consumer is ready to use the product (e.g. plastic packet for socks); whereas in other cases, it is kept throughout the entire life of the product (e.g. ointment tube, a matchbox, etc.)
- (ii) **Secondary Packaging:** It refers to additional layers of protection that are kept till the product is ready for use. For example, a tube of ointment comes in a cardboard box. When consumers start using the shaving cream, they dispose off the box but retain the primary tube.

Function of packaging is:

Product Identification: Packaging greatly helps in identification of the products. For example, Colgate in red colour or Ponds cream jar can be easily identified by its packaging.

Q 7. Unilever has found a new way to make ice-creams by using an ingredient called 'Ice Structuring Protein' which is widely found in nature especially, in fishes which allows them to survive in freezing arctic waters. Combining ISP with stabiliser technology allows to make ice-creams that don't melt so easily thereby making it more convenient for small children and consumers in hot countries.

In the context of above paragraph:

- (i) **Identify the component of marketing mix being taken into consideration by the company.**
- (ii) **Explain briefly the function of marketing highlighted here.**

Ans. (i) The component of marketing mix being taken into consideration by the company is 'product'.

(ii) Functions of marketing highlighted here is:

Product Designing and Development: A product needs to well-designed and developed. So that:

- (a) It attracts the target customers.
- (b) It improves performance of the product.
- (c) It gives the product a competitive edge.

Therefore, one of the core functions of marketing is to develop the product in the most effective and efficient way.

Q 8. As the number of people making online purchases has increased manifold, there is a growing concern about the disposal and management of packaging waste. Every item bought is delivered with excess packaging and sometimes even non-biodegradable materials are used.

In the context of above paragraph:

- (i) Name the other two levels of packaging that the marketers may be using besides the immediate package.
- (ii) Describe briefly any two points highlighting the functions of packaging.

Ans. (i) Secondary packaging and transportation packaging.

- (ii) The functions of packaging in the marketing of goods and services is explained below:

(a) Product Identification: Packaging greatly helps in identification of products. For example, Colgate in red colour and Ponds cream box can be easily identified by its package.

(b) Product Protection: Packaging protects the contents of the product from spoilage, leakage, breakage, damage, climate effect, etc.

Q 9. Suraj is a small entrepreneur involved in the manufacturing of hair wax. He finds that cost of production of 100 gm of hair wax is ₹ 250. He has decided to keep a margin of 15% as profit. Moreover, he has assessed that there is a free competition in this product segment.

In the context of above paragraph:

- (i) Identify the function of marketing being performed by Suraj.
- (ii) State briefly the two factors that he is taking into consideration while performing the function as identified in point (i).

Ans. (i) 'Pricing' is the function of marketing being performed by Suraj.

- (ii) The two factors that he is taking into consideration while performing the pricing functions are as follows:

(a) Product Cost: Product cost includes the cost of procuring, producing, distributing and selling the product. It helps in determining price as it sets the minimum level or floor price at which the product can be sold. After estimating the product cost, such price should be fixed which should cover total costs (fixed costs + variable costs + semi variable costs) in long-run and include a margin of profit as well.

(b) Competition in the Market: It includes:

- Level of competition.
- Competitor's prices and reactions.
- Quality and features of competitor's products.

Q 10. After doing a diploma in entrepreneurship, Farihad started his own confectionery business. He started doing a lot of hard work and used the recipes taught by his grandmother in various preparations. He also learnt many recipes from online sites and television programmes. He decided to keep the price of the products low initially and also informed his customers about the goodness of the items sold by them. However, he didn't mention on the package of each item whether it contained eggs or not. As a result, vegetarian people became hesitant in buying things from his shop as they had to verbally inquire from him about the inclusion of eggs in the preparation of various items.

In the context of above paragraph:

- (i) Name the important aspect related to the marketing of products which has been ignored by Farihad.
- (ii) Explain briefly any three functions performed by the aspect as identified in point (i).

Ans. (i) The Important aspect related to the marketing of products which has been ignored by Farihad is 'labelling'.

- (ii) The three important functions performed by labelling are as follows:

(a) Describing the Product: The important functions of labels is to describe the product, its usage, cautions in use and specify its contents.

(b) Identifying the Product or Brand: Label make easier to identify the product with a distinct label.

(c) Grading the Products Into Different Categories: Labels help to grade the products into different categories according to their features or quality.

Q 11. Shudh Hava Ltd. is engaged in manufacturing of air-conditioners and desert coolers. The company offers a wide range of products to meet the requirements of people from varied income groups. Recently, the company has developed a new product, an air purifier that improves the quality of air by filtering out all allergens and microbes. The company introduced the product on two variants namely 'Nano Tech' and 'Nano Tech Premium'. In order to persuade people to buy the product it is offering easy payment options in equal monthly installments for different time periods. Moreover, every buyer will be offered 'scratch a card' option to win instant gifts like decorative items, T-shirts,

etc. The company is also planning to organise competitive events based on skill and luck in various malls in different cities.

In the context of above paragraph:

- (i) Name the type of promotion strategy adopted by the company to boost the sales of air purifiers.
- (ii) Also identify the various techniques of this promotional strategy being used by the company by quoting lines from the paragraph.

- Ans. (i) The type of promotion strategy adopted by the company to boost the sales of air purifiers is 'sales promotion'.
- (ii) The various techniques of sales promotion being used by the company are listed below:
- (a) **Full Finance @ 0%:** It is offering easy payment options in equal monthly installments for different time periods.
 - (b) **Instant Draws and Assured Gifts:** 'Every buyer will be offered 'scratch a card' option to win instant gifts like decorative items, T-shirts, etc.
 - (c) **Contests:** The company is also planning to organise competitive events based on skill and luck in various malls in different cities.

Q 12. Arun and Rukun are good friends. After doing a fashion designing course from a reported institute, they have set up a garment factory in the rural area of Faridabad to manufacture trendy casual wear like jeans, t-shirts, shirts, etc., under the brand name 'Swantantra'. They have employed people from the nearby villages itself in the factory. Moreover, they wish to sell the products through local retailers in the villages and also through 'Flipkart'.

In the context of above paragraph:

- (i) Identify the elements of marketing mix being taken into consideration by Arun.
- (ii) Name the two methods of marketing adopted by them.

- Ans. (i) The elements of marketing mix being taken into consideration by Arun are 'product and place'.
- (ii) The two methods of marketing adopted by them are both direct and indirect marketing.

Q 13. Yogesh buys a new laptop for his son Mukesh on his birthday from a company owned retail outlet. After a few months, some parts of the laptop get damaged in a road accident. Yogesh approaches the dealer to get the damaged parts replaced with the new ones. But, he is told that the company does not provide any after sale service to the customers. Yogesh feels very dissatisfied as a consumer and vows that he will never buy this company's product ever again.

In the context of above paragraph:

- (i) Identify and briefly explain the function of marketing being ignored by the company.

- (ii) As a business advisor, suggest any two services that will be very effective in enhancing brand loyalty for any such product.

Ans. (i) The function of marketing being ignored by the company is customer support services. They include services such as after sales services, handling customer complaints and adjustments, procuring credit services, maintenance services, technical services and consumer information. They are very effective in bringing repeat sales from customers and developing loyalty for a product.

- (ii) As a business advisor, I would suggest the introduction of the following services that will be very effective in enhancing brand loyalty for any such product:

- (a) Setting up a separate department for handling consumer complaints.
- (b) Providing 365 days $\times$ 24 $\times$ 7 online assistance to the buyers for any maintenance of technical issues.

Q 14. Bye-Bye Motors recently informed the media about its aim to train up to 4,000 people in the next 3 years in the skills associated with automobile industry as part of its programme to provide technical and vocational education for unemployed youth. The firm has already started the programme in collaboration with Automobile Skill Development Council. This news in the media has helped the firm in promoting its image in the eyes of the public and consumer activist groups.

- (i) Why is it important for the company to satisfy the public and the consumer activist groups? Give reasons.
- (ii) Which departments in the firm can be given the responsibility to disseminate information and build goodwill of the firm?

Ans. (i) (a) The voice and opinion of the general public is important as they may be interested in the company and its product and have an impact on the business ability to achieve its objectives. Thus, it is imperative to manage public opinion and the company's relation with the public on a regular basis.

- (b) Consumer activist group need to be satisfied because they can impose restriction on the sales of the firm's products directly by urging customers to refrain from buying them through the imposition of laws.

- (ii) The following departments in the firm can be given the task to disseminate information and build goodwill:

- (a) The marketing department.
- (b) A separate department to manage public relations.

Q 15. A company was marketing 'water purifiers' which were very popular due to their quality and after sales services provided to the customers. The company was a leading company in the market and earning huge profits. Because of huge profit, the company ignored the after sales services. As a result, its relations with the customers got spoiled and the image of the company was damaged in the public. Top management became concerned when the profits for the current quarter fell steeply.

On analysis it was revealed that ignoring the after sales services was its reason. Therefore, the company took all possible measure to protect and promote its favourable image in the eyes of the public. As a result, the goodwill of the company improved in the society.

(i) Name and state the communication tool used by the marketer in the above case to improve its image.

(ii) Also explain role of the tool as identified in point (i).

Ans. (i) The communication tool used by the marketer in the above case to improve its image is 'public relation'. Public relation image or its products in the eyes of the public. It is a continuous activity and is meant for creating and managing better relations with the public.

(ii) Role of public relation are as follows:

(a) **Press Relations:** Information about the organisation needs to be presented in a positive manner in the press.

Public relations department is in contact with the media to present true facts and a correct picture about the company. Otherwise, news can get distorted if taken from other resources.

(b) **Product Publicity:** Public relations department advises the top management that the company can draw attention to new products by sponsoring sports and cultural events like news conferences, seminars and exhibitions, etc.

(c) **Image Building:** Public relations programmes help in building corporate image that affects favourably on its products.

For example, expenditure on up keep of parks and gardens in the city.

COMMON ERROR

Students mix up the importance of advertising/sales promotion/public relation with the importance of personal selling.



TiP

Accentuate on the fact that the question to be answered must be understood and then attempted.

Q 16. What is meant by sales promotion? Explain any three sales promotion techniques with an example of each.

Ans. **Sales Promotion:** It refers to short-term incentives which are designed to encourage the buyers to make immediate purchase of a product or service. Its aim is to boost the sales of firm.

Three sales promotion techniques are:

(i) **Rebate:** It means offering products at special prices, to clear off excess inventory.

For example, offer of Maruti to sell Esteem car at a discount of ₹30,000 for a limited period, say in the month of December.

(ii) **Discount:** It means offering products at less than list price. For example, Bata's offer of discount up to 50% increase in sales.

(iii) **Product Combination:** It means offering another product as gift along with the purchase of a product.

For example, buy a 32' LCD TV and get a DVD player free.

Q 17. 'Time Line' watch manufacturing company is a renowned company marketing watches. It performs various activities like, market analysis, product designing or merchandising, packaging, warehousing, branding, pricing, promotion and selling. The company maintains good customer relations through various follow-up activities. This helps the company in procuring repeat sales orders.

(i) Name and explain the concept related to the activities mentioned in the above paragraph.

(ii) Explain any two features of the concept identified in point (i).

Ans. (i) 'Marketing' concept is related to the activities mentioned above.

It implies that focus on satisfaction of customer's needs is the key to the success of any organisation in the market. Marketing emphasise that firms can achieve the objective of profit maximisation by finding out needs and requirements of customers and satisfying them in an effective manner.

(ii) Two features of marketing are:

(a) **Needs and Wants:** Marketing involves identifying the needs and wants of target customers and developing products and services that satisfy such needs. Needs are basic human requirements. For example, hunger, thirst.

Wants are not basic but are shaped by personality, culture, religion, etc. Thus, they are culturally defined objects that are potential satisfiers of needs. For example, demand for a comfortable house.

(b) **Customer Value:** Marketing involves generating customer value at a profit. So, the marketer must add value of the product so that the customers prefer it in relation to the competing products and decide to purchase it.

Q 18. Differentiate between advertising and personal selling.

Ans. The differences between advertising and personal selling are:

S.No.	Basis of Difference	Advertising	Personal Selling
(i)	Nature	It is an impersonal form of communication.	It is a personal form of communication.
(ii)	Message	It involves transmission of standardised messages.	It adjusts the sales talk keeping in view customer's background and needs.
(iii)	Flexibility	It is inflexible as the message can't be adjusted to the needs of the buyer.	It is highly flexible as the message can be adjusted.
(iv)	Reach	It reaches masses.	Only a limited number of people can be contacted.

COMMON ERROR

Students write differences between sales promotion and advertising.



TIP

Use and highlight the basis of differences to avoid such error.

Q 19. Differentiate between various marketing management philosophies (except societal marketing concept) on the basis of:

(i) Starting point (ii) Main focus (iii) Means (iv) Ends

Ans. The differences between the various marketing management philosophies (except societal marketing concept) are:

S. No.	Basis of Difference	Production Concept	Product Concept	Selling Concept	Marketing Concept
(i)	Starting point	Factory	Factory	Factory	Market
(ii)	Main focus	Quantity of product.	Quality performance and features of product.	Selling existing products.	Customer needs.
(iii)	Means	Through availability and affordability of product.	Through product improvement.	Through selling and promotional efforts.	Integrated marketing.
(iv)	Ends	Profit through volume of production.	Profit through product quality.	Profit through sales volume.	Profit through customer satisfaction.



Long Answer Type Questions

Q 1. Explain the following functions of marketing:

- (i) Product designing and development
- (ii) Standardisation and grading
- (iii) Customer support services
- (iv) Pricing of product

Ans. (i) Product Designing and Development: It is carried out to make the product innovative and attractive. The product design should be such which improves the performance of a product or gives it a competitive edge over its competitors.

(ii) Standardisation and Grading: Standardisation helps to produce goods as per pre-determined specifications and grading facilitates their classification into groups on the basis of some criterion like quality, size, etc.

Grading is the process of classification of products into different groups on the basis of some important characteristics like quality, size, etc.

(iii) Customer Support Services: These services help to create a good image of the marketer in the eyes of consumers.

(iv) Pricing of Product: It is a crucial decision as it may greatly influence the demand for a product. Prices are generally fixed by manufacturers carefully after looking into cost of production, demand for the product and the nature of competition.

Q 2. Though advertising is one of the most frequently used media of promotion of goods and services, yet it attracts lots of objections. Explain any four such objections.

Ans. Objections to advertising are:

(i) Adds to Cost: The opponents of advertising argue that advertising unnecessarily adds to cost of product, which is ultimately passed on to the buyers in form of high prices.

For example, an advertisement on TV, for a few seconds, costs the marketers several lakhs of rupees.

The amount spent adds to the cost, which is an important factor in fixation of the price of a product.

(ii) **Undermines Social Values:** Another important criticism of advertising is that it undermines social values and promotes materialism.

It breeds discontent among people as they come to know about new products and feel dissatisfied with their present state of affairs. Some advertisement show new life styles, which don't find social approval.

(iii) **Confuses the Buyers:** Another criticism against advertisement is that so many products are being advertised which makes similar claims that the buyers gets confused as to which one is true and which one should be relied upon.

For example, we may note similar claims of whiteness or stain removing abilities in competing brands of detergent powder or claims of whiteness of tooth or 'feelings of freshness' in competing brands of toothpaste that it is sometimes confusing to us as to which one to buy.

(iv) **Encourage Sale of Inferior Products:** Advertising does not distinguish between superior and inferior products and persuade people to purchase even the inferior products.

Q 3. 'Hayaram' is a famous chain selling a large variety of products in the Indian market. Their products include chips, biscuits, sweets and squashes. It charges a comparatively higher price than its competitors as it sells quality products. Besides, it offers regular discounts to its customers and easy credit terms to its retailers. It has five of its own retail shops. It also sells its products through various grocery stores so that the products are made available to customers at the right place, in the right quantity and at the right time. It regularly uses different communication tools to increase its sales.

The above describes the combination of variables used by Hayaram to prepare its market offering. Identify and explain the variables. (CBSE 2015)

Ans. The combination of variables used by Hayaram to prepare its market offerings are:

(i) **Product Mix:** All the features of the product or service to be offered for sale. The important product decisions include deciding about the features, quality, packaging, labelling and branding of the products.

(ii) **Price Mix:** It is a very crucial element of marketing mix as customers are highly price sensitive and level of price affects the level of demand. Marketers have not only to decide about the objectives of price setting but to analyse the factors determining the price and fix a price for the firm's products.

(iii) **Place Mix/Physical Distribution:** It includes activities that make firm's products available to the target customers. It also involves

decisions regarding selection of intermediaries and providing support to them by discounts.

(iv) **Promotion Mix:** Promotion refers to all such activities that communicate availability, features, merits, etc. of the products to the target customers and persuade them to buy it.

Q 4. Radhika was a student of Business Studies of Class XII. Her father was a farmer who grew different varieties of rice and was well-versed about various aspects of rice cultivation. He was also selected by the government for a pilot-project on rice cultivation. As a project-work in Business Studies, she decided to study the feasibility of marketing good quality rice at a reasonable price. Her father suggested her to use internet to gather customers' views and opinions. She found that there was a huge demand for packaged organic rice. She knew that there were no pre-determined specifications in case of rice because of which it would be difficult to achieve uniformity in the output. To differentiate the product from its competitors, she gave it the name of 'Malabari Organic Rice' and classified it into three different varieties namely—Popular, Classic and Supreme, based on the quality. She felt that these names would help her in product differentiation.

Explain the three functions of marketing with reference to the above paragraph. (CBSE 2015)

Ans. Functions of marketing with reference to the above paragraph are:

(i) **Gathering and Analysing Market Information:** Marketing is done to know the taste and preference of the target market. It is important to analyse available opportunities and threats as well as strengths and weakness of the organisation. It helps in deciding what opportunities.

Lines Quoted: "Use internet to gather customers' views and opinions."

(ii) **Standardisation and Grading:** It helps to produce goods as per predetermined specifications and grading facilitates their classification into groups on the basis of some criterion like quality, size, etc.

Grading is the process of classification of products into different groups on the basis of some important characteristics like quality, size, etc.

Lines Quoted: "No pre-determined specifications in case of rice because of which it would be difficult to achieve uniformity in the output."

Or

"...classified it into three different varieties namely—Popular, Classic and Supreme, based on the quality."

(iii) **Branding:** The process of giving a name, sign or symbol to a product is called branding.

Advantages:

- (a) It helps to create product differentiation.
- (b) It helps in building customer's loyalty.
- (c) It helps in promoting sale of the product.

Lines Quoted: "To differentiate the product from its competitors, she gave it the name of Malabar Organic Rice."

Or

"She felt that these names would help her in product differentiation."

Q 5. Vasvi purchased a bottle of pickle from the local grocery shop. The information provided on the bottle was not clear. She fell sick on consuming it. She filed a case in the District Forum under Consumer Protection Act and got the relief.

- (i) Identify the important aspect neglected by the marketer in the above case.
- (ii) Explain briefly the functions of the aspect identified in point (i) above.

Ans. (i) The important aspect neglected by the marketer is 'Labelling'.

Labelling: Labelling refers to designing and developing the label to be put on the package. The label may vary from a simple tag to complex graphics.

(ii) **Functions of Labelling:** The main functions of labelling are as follows:

- (a) **Describing the Product:** The important function of labels is to describe the product, its usage, cautions in use and specify its contents.
- (b) **Identifying the Product or Brand:** Label makes easier to identify the product with a distinct label.
- (c) **Grading the Products into Different Categories:** Labels help to grade the products into different categories according to their features or quality.
- (d) **Aids in Promotion of the Products:** An important function of label is to help in promotion of the products. A carefully designed attractive label encourages the consumers to buy the product.

Q 6. Explain the following functions of marketing:

- (i) Gathering and analysing market information,
- (ii) Marketing planning,
- (iii) Customer support services
- (iv) Physical distribution

Ans. Functions of marketing are:

- (i) **Gathering and Analysing Market Information:** Marketing is done to know the taste and preference of the target market. It is important to analyse available opportunities and threats as well as strengths and weakness of the organisation. It helps in deciding what opportunities.

(ii) **Marketing Planning:** It is needed to meet the marketing objectives of the firm effectively and efficiently. This includes making a comprehensive action programme covering all the important aspects of the plan.

(iii) **Customer Support Services:** These services help to create a good image of the marketer in the eyes of consumers.

(iv) **Physical Distribution:** It ensures the availability of the product at the right place, at the right time and in right condition so as to facilitate its purchase.

Q 7. Explain the factors that help in determining the 'price' of the product.

OR

"It is the single most important element affecting the revenue and profits of a firm." Name and state this element of marketing mix. Explain any three factors affecting the determination of this element of marketing mix. (CBSE 2023)

Ans. Price mix is the element of marketing mix which affects the revenue and profits of a firm.

Factors that help in determining the 'price' of the product are as follows:

(i) **Product Cost:** Product cost includes the cost of procuring, producing, distributing and selling the product. It helps in determining price as it sets the minimum level or floor price at which the product can be sold. After estimating the product cost, such price should be fixed which should cover total costs (fixed costs + variable costs + semi-variable costs) in long run and include a margin of profit as well.

(ii) **Pricing Objectives:** Pricing objectives of the firm may include:

(a) **Profit Maximisation:** A firm has two options:

Option-1: To maximise profit in short run.

Option-2: To maximise profit in long run.

- If the firm exercise option 1, it will charge 'maximum price' for its products.
- If the firm exercise option 2 (i.e. to maximise profits in long run), it will charge 'lower price' per unit to capture large market share.

(b) **Obtaining Market Share Leadership:** If the firm wants to obtain market share leadership, it will keep low price of its products to attract greater number of people.

(c) **Surviving in a Competitive Market:** If the firm is facing difficulties in surviving in a competitive market, it will keep 'lowest possible price' and offer 'discounts' as well.

(d) **Attaining Product Quality Leadership:** If the firm does expenditure on research and development of its product, it will keep 'higher prices' for its product.

- (iii) **Competition in the Market:** It includes level of competition, competitor's prices and reactions and quality and features of competitor's products.

Price of a product cannot be fixed without considering the nature and the degree of competition. The price will tend to reach the upper limit in case of lesser degree of competition, while under conditions of stiff competition, price will tend to be set at the lowest level.

- (iv) **Utility:** The utility provided by the product and intensity of demand of buyer sets the upper limit of price. The product cost sets the lowest limit of price.

(a) Buyer is willing to pay up to a point, where:
Utility of the product = Sacrifice made in terms of price paid

(b) Thus, the more utility the product provides the higher the prices can be set.

- (v) **Government and Legal Regulations:** Government can fix the prices of essential commodities like medicines, petrol etc. to protect the interest of public against unfair practices. If the firm charges higher price than the price set by government, then the government can take action against the firm.

- (vi) **Marketing Methods Used:** Price determination is also affected by the distribution system quality of salesman employed, quality of advertising, type of packaging, etc. For example, a company can fix relatively higher price for its product if offers free home delivery of its product.

Q 8. Rastro Inc., is a multi-national corporation that creates consumer electronics, personal computers, servers and computer software. The company also has a chain of retail stores known as Restro Stores. Despite high competition, Restro has succeeded in creating demand for its products, giving the company power over prices through product differentiation, innovative advertising and ensured brand loyalty.

In the context of above paragraph:

- (i) What is product differentiation?
- (ii) Name any one function of marketing that facilitates product differentiation.
- (iii) Identify the component of promotion mix being used by the company by quoting lines from the paragraph.
- (iv) Describe briefly the pricing objective pursued by the company.

Ans. (i) Product differentiation is a strategy used by the marketers to gain an edge over its competitors by creating a distinguished perception of the product in the minds of the potential buyers in terms of its utilities.

- (ii) Branding is a function of marketing that facilitates product differentiation.

- (iii) Advertising is the component of promotion mix being used by the company "giving the company power over prices through product differentiation, innovative advertising and ensured brand loyalty."

- (iv) The pricing objective pursued by the company is attaining product quality leadership. If the firm does expenditure on research and development of its product, it will keep higher prices for its products. Normally, higher prices are charged to cover high quality and high cost of research and development.

Thus, the price of a firm's products and services is affected by the pricing objective of the firm.

Q 9. Rupali intends to start an enterprise that produces chocolates. Initially, in order to assess the taste and preferences of the people about the chocolates, she used social media and online surveys. Thereafter, she prepared a detailed SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis of her enterprise to devise a strategy that will give her an edge over the competitors. Based on her analysis of the market, she decided to launch sesame and jaggery based chocolates under the brand name 'Desi Delight'. She has decided to fix up the price of chocolates relatively at lower level in the beginning and later on as the demand picks up she may revise the prices.

In the context of above paragraph:

- (i) Identify the elements of marketing mix being taken into consideration by Rupali.
- (ii) Explain briefly the functions of marketing highlighted here.
- (iii) Do you think that she has selected an appropriate brand name for her product? Why or why not? Give a reason for your answer.

Ans. (i) The elements of marketing mix being taken into consideration by Rupali are product and price.

(ii) The functions of marketing highlighted here are explained below:

(a) **Gathering and Analysing Market Information:** Marketing is done to know the taste and preference of the target market. It is important to analyse available opportunities and threats as well as strengths and weakness of the organisation.

(b) **Product Designing and Development:** It is carried out to make the product innovative and attractive. The product design should improve the performance of a product or give it a competitive edge over its competitors.

(c) Pricing of Product: It is a crucial decision as it may greatly influence the demand for a product. Prices are generally fixed by manufactures carefully after looking into cost of production, demand for the product and the nature of competition.

- (iii) Yes, she has selected an appropriate brand name 'Desi Delight' for her product as the name reflects on the product's benefits and qualities. The word 'Desi' indicates that the product contains indigenous ingredients like sesame and jaggery and 'Delight' denotes the pleasure that the person is going to get on consuming the delicious chocolates.

Q 10. Choco Ltd. offers a wide variety of chocolate products. It has an action programme of not selling its products by their generic name but under different names like Choco-silk bar, Choco-munchy and Choco-crunchy etc. for different customer segments. All these names have great popularity and acceptability in the markets.

As the company policy the products were offered at reasonable and affordable prices for targeting a mass customer base.

During the festive season, the company launched a massive promotional campaign to increase its revenue and achieve its communication objectives. The company introduced free gifts for the customers.

Their on-ground sales team delivers the product not only to the departmental stores but also to small shops, so that all segments of customers can easily get the products. They also provide information and support services to customers to ensure repeat sales.

From the viewpoint of the management function, briefly explain any four activities of marketing which the firm will be involved in, apart from the above-mentioned ones it's already performing.

(CBSE SQP 2022-23)

Ans. Functions of marketing, apart from the ones Choco Ltd. is already performing are:

(i) Gathering and Analysing Market Information:

Marketing is done to know the taste and preference of the target market. It is important to analyse available opportunities and threats as well as strengths and weakness of the organisation. It helps in deciding what opportunities.

- (ii) Product Designing and Development:** It is carried out to make the product innovative and attractive. The product design should be such which improves the performance of a product or gives it a competitive edge over its competitors.

(iii) Packaging and Labelling: These are needed for product protection, product identification and product differentiation. Packaging protects the product from the risk of spoilage, breakage, etc. Labelling means designing and developing a label to be put on the package.

(iv) Standardisation and Grading: It helps to produce goods as per predetermined specifications and grading facilitates their classification into groups on the basis of some criterion like quality, size, etc.

Q 11. Reema, Vibha and Ratna are three women entrepreneurs who are engaged in dealing with handicraft goods under the brand name 'Gujkriti' through a chain of retail outlets at five different places in Delhi. They outsource all their products from tribal and rural women in the state of Rajasthan. Reema is of the opinion that in order to increase the sale of their products, they should advertise about it on television. But, Ratna is arguing that advertisement expenses will add to cost of operation. Whereas Vibha is insisting that they should set up an online portal to market their products across the globe.

In the context of above paragraph:

- Identify the tool of promotion being taken into consideration by Reema by quoting lines from the paragraph.
- How is the channel of distribution being suggested by Vibha different from the channel of distribution being used by them presently?
- Do you think that Ratna is justified in her argument that advertisement expenses will add to cost of operations?

Ans. (i) The tool of promotion being taken into consideration by Reema is advertising. (Reema is of the opinion that in order to increase the sale of their products, they should advertise about it on television).

(ii) Vibha is insisting that they should set up an online portal to market their products across the globe i.e., adopting direct marketing or zero-level channel (manufacturer-consumer). Whereas at present they are using indirect channels of distribution i.e., one level channel (manufacturer-retailer-consumer) by operating through a chain of retail outlets at five different places in Delhi.

(iii) No, Ratna is not fully justified in her argument. True advertisement of a product costs lot of money, adds to the cost of product, which is ultimately passed on the buyers in the form of high prices. But it helps to increase the demand for the product as large number of potential

buyers come to know about the availability of the products, its features, etc. and are persuaded to buy it.

The increased demand leads to higher production, which brings with it the economies of scale. As a result, the per unit cost of production comes down as the total cost is divided by large number of units. Thus, the expenditure on advertisement adds to total costs but the per unit cost comes down. Which in fact lessens the burden of consumers rather than adding to it.

- Q 12.** Arvind is planning to start a company manufacturing room fresheners. He intends to use natural fruit extracts for adding fragrance to them. He estimates an investment of ₹20 crore to set up the factory. As it is difficult for him to raise the entire capital amount alone, he gives a partnership offer to his school friend, Sanjay, who is an angel investor. Sanjay, after being convinced about the feasibility of the project, accepts his offer. Sanjay tells Arvind that they should also focus on other important decisions related to the product 'room fresheners' besides deciding about its features, variety and quality. Branding is one of the important such decision.

In the context of above paragraph:

- (i) Name any other two important decisions related to a product.
- (ii) Why is branding considered as an important function by the marketers? Give any one reason in support of your answer.
- (iii) State any four features of a good brand name.

- Ans.** (i) Labelling and packaging are the two important decisions related to a product.
- (ii) Branding is considered to be a very important decision by the marketers because it facilitates product differentiation.

Through branding, the prospective buyers are able to bring about a distinction between a company product and its substitutes available in the market. This helps the company to obtain a desirable market share.

- (iii) The four features of a good brand name are stated below:
- (a) The brand name should be simple, short and easy to pronounce and remember.
 - (b) Brand name should be appropriate to the product's function.
 - (c) The brand name should be unique and distinctive so that the product is easily differentiated.
 - (d) The brand name should be adaptable to packing or labelling requirements.

- Q 13.** Nischay, after completing his masters in computer engineering, decided to start his own business. He visited his uncle, Mr. Jaiprakash, who has been running a successful business in web designing.

He shared with Nischay that the main reason for his success in the business lies in his approach of building a life-time relation with his clients. Therefore, his business is not only restricted to designing websites according to the specifications of the clients but also providing continuous online assistance to them and handling their grievances effectively and doing all this at a profit. He provides these services at competitive prices. Anybody interested in getting the web solution can contact him through his website. Moreover, whenever the market is sluggish, he tries to create demand by offering short-term incentives to the buyers.

In the context of above paragraph:

- (i) Define the term 'Marketing Management'.
- (ii) Briefly explain the various elements of marketing mix being pursued by Mr. Jaiprakash by quoting lines from the paragraph.

- Ans.** (i) According to Philip Kotler, "Marketing management is the art and science of choosing target markets and getting, keeping and growing customers through creating, delivering and communicating superior customer value."

- (ii) The various elements of marketing mix being pursued by Mr. Jaiprakash are as follows:

(a) Product Mix: All the features of the product or service to be offered for sale. The important product decisions include deciding about the features, quality, packaging, labelling and branding of the products.

(b) Price Mix: It is a very crucial element of marketing mix as customers are highly price sensitive and level of price affects the level of demand. Marketers have not only to decide about the objectives of price setting but to analyse the factors determining the price and fix a price for the firm's products.

(c) Place Mix/Physical Distribution: It includes activities that make firm's products available to the target customers. It also involves decisions regarding selection of intermediaries and providing support to them by discounts.

(d) Promotion Mix: Promotion refers to all such activities that communicate availability, features, merits, etc., of the products to the target customers and persuade them to buy it.

- Q 14.** "Exchange is the essence of marketing."

- (i) Define exchange.
- (ii) Enlist the conditions that are necessary for exchange to take place.

- Ans.** (i) Exchange refers to the process through which two or more parties come together to obtain the desired products or services from someone, offering the same by giving something in return.
- (ii) For any exchange to take place it is important that the following conditions are satisfied:

- (a) Involvement of at least two parties viz. the buyer and the seller.
- (b) Each party should be capable of offering something of value to the other. For example, the seller offers a product and the buyer, money.
- (c) Each party should have the ability to communicate and deliver the product or service. No exchange can take place if the buyers and sellers are not able to communicate with each other or if they can not deliver something of value to the other.
- (d) Each party should have freedom to accept or reject other party's offer.
- (e) The parties should be willing to enter into transaction with each other. Thus, the acceptance or rejection of the offer takes place on voluntary basis rather than on the bases of an compulsion.

Q 15. Briefly explain the process of marketing management.

Ans. The process of marketing management involves:

- (i) Choosing a target market, say a manufacturer choose to make readymade garments for children up to the age of 5 years.
- (ii) In respect of the target market chosen, the focus of the process of marketing management is on getting, keeping as well as growing the customers. That means the marketer has to create demand for his product, so that the target customers purchase the product, keep them satisfied with the firm's product and also attract more customers to the firm's products so that the firm can grow.
- (iii) The mechanism for achieving the objectives is through creating, developing and communicating superior values for the customers. That means, the primary job of a marketing management is to create superior values, so that the customers are attracted to the products and services and communicate these values to the prospective buyers and persuade them to buy these products.

Q 16. It is necessary that goods and services must be made available to the customers at the right place, in right quantity and at right time.

- (i) Name and explain the concerned element of marketing mix given above.
- (ii) Explain the components of this element.

(CBSE 2015)

OR

'The physical handling and movement of goods from the place of production to the place of distribution is an important element of marketing mix.'

(i) Name and state the element.

(ii) Explain any three main components of this element. (CBSE 2023)

Ans. (i) Place or Physical Distribution: It is concerned with making the goods and services available at the right place, in right quantity and at the right time, so that the consumers can purchase the same.

The two major decisions under this function of marketing mix include:

- (a) Decision regarding channels of distribution to be used.
- (b) Physical movement of product from the place of production to the place of consumption (transportation).

(ii) Components of place or physical distribution are:

(a) **Order Processing:** Company's physical distribution system should provide for accurate and speedy processing of orders. If order processing is accurate and speedy, customer's satisfaction is enhanced and company's profit are enhanced as well. Speedy and accurate order processing companies can shorten order-to-payment cycle i.e. the time elapsed between the order's receipt, delivery and payment.

(b) **Transportation:** It means carrying goods and raw materials from point of production to point of sale. It is needed so as to complete the sale thus creating 'place utility'.

For example, tea produced in Assam has to be transported to all states of India.

(c) **Warehousing (or Storage):** It refers to the act of storing and assorting products in order to create time utility in them. Its purpose is to arrange placement of goods and provide facilities to store them. Need for warehousing arises because there is a time-lag between the production of goods and their sale (or use).

(d) **Inventory Control:** Managing the level of inventory (or stock) is called inventory control. Inventory control has to be exercised in such a way that it provides satisfaction to consumers along with keeping the cost of carrying goods under control.

Various factors have to be kept in mind while deciding inventory levels:

- Firms policy regarding level of customer service to be offered.
- Cost of inventory.
- Degree of accuracy of sales forecast.
- Responsiveness of distribution system.

Q 17. The Research & Development department of Healthy Production Ltd. has decided to diversify from manufacturing health drinks to cereals made from millets. They are well aware of the fact that the company will have to communicate to the people the benefits of eating millets. For this purpose, they plan to sponsor various events like marathons and encourage people to switch to healthy eating through newsletters.

- (i) Identify and briefly explain the promotional tool being discussed above.
- (ii) Also explain any two other promotional tools that can be used by the company apart from the one discussed above.

Ans. (i) **Public Relations:** It involves a variety of programmes to promote and protect a company's image or its products in the eyes of the public.

It is most useful when situation has to be tackled like an emergency to improve public image. This happens when there is negative publicity of a product.

- (ii) Two of the following are the promotional tools which may also be used:

(a) **Advertising:** It is an impersonal form of communication which is paid for by marketers (sponsors) to promote goods services.

- It is the most commonly used tool of promotion.
- It can be done through radio, newspaper, TV, etc.

(b) **Personal Selling:** It involves oral presentation of message in the form of conversation with one or more prospective customers for the purpose of making sales.

- It is a personal form of communication.
- Company appoints salesperson to control prospective buyers.

Q 18. 'Best Electronics' started manufacturing washing machines under the brand name 'Amaze'. Once the washing machines were manufactured, packaged, branded, priced and promoted, they had to be made available to the customers at the right place, in the right quantity and at the right time.

'Best Electronics' provided for accurate and speedy processing of orders so that the washing machines reach the customers in time, in the right quantity and specifications. They also ensured that the washing machines are physically made available to the customers. Further, 'Best Electronics' arranged for facilities to store the washing machines at different locations near the market to minimise the charges on transportation. Explain any three components of physical distribution discussed in the above case. (CBSE 2023)

Ans. The three components of physical distribution discussed in the above case are:

- (i) **Order Processing:** This involves receiving and processing customer orders in a timely and accurate manner. 'Best Electronics' provided speedy and accurate processing of orders using their 'Best Electronics Snics' to ensure that the washing machines were available to customers on time and in the right quantity.
- (ii) **Warehousing:** This involves the storage and management of inventory until it is ready to be shipped to customers. 'Best Electronics' arranged for facilities to store the washing machines near the market to minimise transportation costs and ensure that the machines were readily available to customers.
- (iii) **Transportation:** This involves the physical movement of products from the warehouse to the customers. 'Best Electronics' ensured that the washing machines were transported efficiently to minimise transportation costs and to ensure that they reached the customers on time and in the right condition.

Q 19. Read the statements given in point (i) and (ii), answer the questions that follow:

(i) Tea is produced in Assam but is carried to customers not only in this state but also in other parts of the country.

(a) Identify and explain the function of marketing that enables the marketer to achieve its goals.

(b) Enumerate any two factors that marketer should take into consideration in order to analyse the identified needs.

(iii) Paddy is grown during summer season but its demand and sale takes place throughout the year.

(a) Name and state the function of marketing which should be undertaken to reduce the gap between production and consumption of Paddy.

(b) State by giving two reasons as to why proper discharge of this function is important.

(CBSE SQP 2023-24)

Ans. (i) (a) The function of marketing that enables the marketer to achieve its goals is transportation.

Transportation: It means carrying goods and raw materials from point of production to point of sale. It is needed to complete the sale thus creating place utility. For example, Tea produced in Assam has to be transported to all states of India.

(b) The factors that should be taken into consideration to analyse the marketing needs are:

- Nature of the product
- Cost of the product
- Location of target market

- (ii) (a) The function of marketing that reduces the gap between production and consumption of paddy is storage or warehousing.

Warehousing: It refers to the act of storing and assorting products in order to create time utility in them. Its purpose is to arrange placement of goods and provide facilities to store them. Need for warehousing arises because there is a time-lag between the production of goods and their sale (or use).

- (b) The importance of warehousing are:

- Warehouses stores all surplus goods produced by business until their demand arises. Storing goods is the foremost and primary role played by warehouses.
- Warehouses provides one centralised location where all goods of business are stored. It helps and makes tracking of all goods much easier so that surplus or deficiency of any product can be timely handled by the business.



Chapter Test

Multiple Choice Questions

- Q 1.** Rashmi decided to start the business of selling dress materials. She did some research to find out about the preferences of prospective customers. Based on this, she prepared a detailed business plan. She then made important decisions about the features, quality, packaging, labelling and branding of the dress material. Which of the following elements of marketing mix is being discussed here?

- a. Promotion
- b. Market
- c. Product
- d. Place

- Q 2.** "A popular brand of Hair Conditioners comes in different categories for different hair, say for normal hair and for other categories."

Identify the function of labelling in the above example.

- a. Providing information required by law
- b. Describe the product and specify its contents
- c. Promotion of products
- d. Grading of products

- Q 3.** The basic role of firm under concept is to identify a need and satisfy it better than competitors.

- a. production
- b. marketing
- c. selling
- d. product

- Q 4.** Statement I: A good design can improve the performance of a product and also give it a competitive in the market.

Statement II: Standardisation is the process of classification of products into different groups, on the basis of some of its important characteristics such as quality, size, etc.

Choose the correct option from the options given below:

- a. Statement I is true and II is false.
- b. Statement II is true and I is false.
- c. Both the statements are true.
- d. Both the statements are false.

Assertion and Reason Type Questions

Directions (Q. Nos. 5-6): There are two statements marked as Assertion (A) and Reason (R). Read the statements and choose the appropriate option from the options given below:

- a. Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
- b. Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
- c. Assertion (A) is true, but Reason (R) is false.
- d. Assertion (A) is false, but Reason (R) is true.

- Q 5.** Assertion (A): The job of the marketer is add to the value of the product so that customer prefers it in relation to the competing products and decides to purchase it.

Reason (R): A product will be purchased only if it is perceived to be giving the greatest benefit for the money.

- Q 6.** Assertion (A): According to Marketing Concepts, products are bought because of their quality and other features.

Reason (R): The marketing concept aims to find out the needs and requirements of customers and satisfying them in an effective manner.

Case Study Based Questions

- Q 7.** Read the extract given below and answer the questions on the basis of the same:

Sameer, a small shopkeeper in Meerut, U.P. used to sell the famous 'Biscuits.' It was a quick-selling product for locals and foreign tourists. His second generation expanded the business and got 'Fruit Biscuits' registered with concerned authorities. Gradually, the brand offered a wide range of products to its customers like cake, sweets, bakery items, etc. However, 'Biscuit' remained the most popular product of the brand creating maximum revenue.

'Fruit Biscuits' offered its products at competitive prices even while offering customer services like

gift packaging and free home delivery to become a household name. Now, it has virtually become a synonym for Biscuit in the market, so much that people ask for Fruit Biscuits instead of Biscuits. Fruit Biscuits has developed a strong distribution network in India and abroad by setting up retail outlets and reaching out to the customer through internet selling. Promotion of the brand had always been low profile, till the increase in competition pushed it to hire the services of a professional advertising agency, Sameer Pvt. Ltd. for promoting the product.

On the advice of Sameer Pvt. Ltd., 'Fruit Biscuits' has also worked upon managing public opinion by developing relations with the masses through sponsoring cultural and sporting events, maintenance of public parks, etc.

- (i) "His second generation expanded the business and got 'Fruit Biscuits' registered with concerned authorities."

With reference to the given text 'Fruit Biscuits' is a giving it a legal protection against its use by anyone else.

- a. brand value b. trade mark
c. trait mark d. brand mark

- (ii) 'Fruit Biscuits' offered its products at competitive prices even while offering customer services like gift packaging and free home delivery to become a household name.

Identify the factors affecting the element of marketing mix being discussed, above.

- a. Marketing methods used
b. Objectives
c. Extent of competition in the market
d. Product cost

- (iii) 'Fruit Biscuits' has developed a strong distribution network in India and abroad by setting up retail outlets and reaching out to the customer through internet selling. Identify the decision related to the element of marketing mix being discussed above.

- a. Storing and assorting products in order to create time utility
b. Regarding the channels or using intermediaries
c. Both a. and b.
d. Regarding branding, packaging and labelling

- (iv) On the advice of Sameer Pvt. Ltd., 'Fruit Biscuits' has also worked upon managing public opinion by developing better relations with the masses through sponsoring cultural and sporting events, maintenance of public parks, etc. Name the department in the organisation which is

generally responsible for performing the above important task of managing public opinion.

- a. Marketing department
b. A separate department created in the firm for the purpose
c. An outside agency
d. Any of the above

- Q 8. Read the extract given below and answer the questions on the basis of the same:

The Research & Development department of Healthy Production Ltd. has decided to diversify from manufacturing health drinks to cereals made from millets. They are well aware of the fact that the company will have to communicate to the people the benefits of eating millets. For this purpose, they plan to sponsor various events like marathons and encourage people to switch to healthy eating through news letters.

- (i) Identify and briefly explain the promotional tool being discussed in above case.
(ii) Also explain any two other promotion tool that can be used by the company, apart from the one discussed above.

Very Short Answer Type Questions

- Q 9. At which level of packaging immediate container is referred to?
Q 10. Which marketing management philosophy suggests that the organisation should earn profit through consumer satisfaction?
Q 11. Give any one characteristic of a good brand name.

Short Answer Type-I Questions

- Q 12. There can be three different levels of packaging. Explain any two of them.
Q 13. Explain any three functions of marketing that are performed before goods are actually produced.

Short Answer Type-II Questions

- Q 14. Identify and explain the promotional tool of marketing mix which is an impersonal form of communication and is paid for by the marketer.
Q 15. State any four functions of labelling.

Long Answer Type Questions

- Q 16. "The elements of marketing mix are popularly known as 4 P's of Marketing." Briefly explain these elements.
Q 17. "It is necessary that goods and services must be made available to the customer at the right place, in right quantity and at the right time."
Explain the concerned element of marketing mix and its components.