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| **PB1/MKTQP/1223/B 20-NOV-2023**  **PREBOARD EXAMINATION I (2023-24)**  **ANSWER KEY** | |
| **Subject: Marketing SET I**  **Grade: XII** | Max. Marks: 60Time: 3 Hours. |

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|  | **SECTION A: OBJECTIVE TYPE QUESTIONS** |  |
| Q1 | **Answer any 4 out of the given 6 questions on Employability Skills (1 x 4 = 4 marks)** |  |
| i. | d. All of the above | 1 |
| ii. | c. Send it back to the production line - to be melted | 1 |
| iii. | c. Ctrl+i | 1 |
| iv. | c. Complex sentence | 1 |
| v. | d. All of the above | 1 |
| vi. | c. Libre Office | 1 |
| Q2 | **Answer any 5 out of the given 7 questions (1 x 5 = 5 marks)** |  |
| i. | d. Regulators | 1 |
| ii. | b. Product height | 1 |
| iii. | d. Leader pricing | 1 |
| iv. | b. Advertising | 1 |
| v. | c. 10,800 units | 1 |
| vi. | Selective distribution | 1 |
| vii. | c. psychological pricing | 1 |
| Q3 | **Answer any 6 out of the given 7 questions (1 x 6 = 6 marks)** |  |
| i. | a. Pull strategy | 1 |
| ii. | c. Product repositioning | 1 |
| iii. | 1. Where the demand is relatively inelastic | 1 |
| iv. | b. Sales promotion | 1 |
| v. | d. To improve the efficiency of getting products to customers | 1 |
| vi. | Markup is the difference between the cost of a good or service and its selling price | 1 |
| vii. | a. Tele marketing | 1 |
| Q4 | **Answer any 5 out of the given 6 questions (1 x 5 = 5 marks)** |  |
| i. | a. Market condition | 1 |
| ii. | b. Indirect channel | 1 |
| iii. | Resale price maintenance | 1 |
| iv. | b. Impulse | 1 |
| v. | d. Image differentiation | 1 |
| vi. | a.Manufacturers, intermediaries, facilitating agencies and consumers | 1 |
| Q5 | **Answer any 5 out of the given 6 questions (1 x 5 = 5 marks)** |  |
| i. | b. Personal selling | 1 |
| ii. | b. Variable cost | 1 |
| iii. | Place | 1 |
| iv. | c. To identify potential allergens and contents | 1 |
| v. | c. Penetration pricing | 1 |
| vi. | d. Trade shows | 1 |
| Q6 | **Answer any 5 out of the given 6 questions (1 x 5 = 5 marks)** |  |
| i. | c. Augmented product | 1 |
| ii. | d. To persuade consumers to buy the product | 1 |
| iii. | Gaining intermediary support | 1 |
| iv. | c. External factors | 1 |
| v. | a. Maximize market share | 1 |
| vi. | d. Premium pricing | 1 |
|  | **SECTION B: SUBJECTIVE TYPE QUESTIONS** |  |
|  | **Answer any 3 out of the given 5 questions on Employability Skills (2 x 3 = 6 marks) Answer each question in 20 – 30 words** |  |
| Q7 | The various factors that affect active listening are as follows. • Eye contact: It is a form of body language. It is one of the most important aspects in the communication process. Maintaining an eye contact with the person you are talking to sends a signal to the speaker that “Yes, I am talking to you or listening to you”. Avoiding eye contact could mean that you do not want to listen to the person speaking to you. • Gestures: These indicate to the speaker if you are listening or not. Keep your hand and feet still while talking to someone. • Avoiding distractions: You need to identify the things that distract you. You must physically remove the distractions in order to listen attentively. For example, reducing the ringtone of your mobile phone or switching it off while attending a meeting or listening to someone will avoid distraction. Another example is that you should avoid glancing at the wristwatch frequently. • Giving feedback: Feedback can be positive or negative. But in both the cases, one needs to be polite so that the person to whom the feedback is being given is not hurt or offended. | 2 |
| Q8 | • increase the efficiency of energy and raw material. • reduce greenhouse gas emissions. • control waste and pollution. • protect and restore ecosystems. • support adaptation to the effects of climate change. | 2 |
| Q9 | A worksheet is a collection of cells in the form of a grid (a network of lines that intersect each other, making rectangles). When you open a spreadsheet for the first time, you see a blank worksheet with the name ‘Sheet1’.  A workbook is a spreadsheet that has one or more worksheets | 2 |
| Q10 | Sentences, where the subject does an action, are known to be in active voice. Sentences, in which the subject receives an action, are known to be in passive voice. | 2 |
| Q11 | Solid waste management system includes collection, segregation, transportation, processing, and disposal of waste. Green jobs related to waste management are in areas like e-waste recycling, solid waste management, waste reduction, waste auditing, waste control, etc. | 2 |
|  | **Answer any 3 out of the given 5 questions in 20 – 30 words each (2 x 3 = 6 marks)** |  |
| Q12 | Feature of Industrial products: • Limited number of buyer in comparison to consumer goods. • Length of Channel for distribution is short. • Demand for the product is concentrated in certain geographical locations and is derived from the demand of consumer goods. • Product purchase is based on fulfillment of technical considerations. • Reciprocal buying is involved is a company may purchase the raw material from a company and may sell the finished product to the same company. • In certain cases the companies may lease out the products rather than purchasing them due to high costs. | 2 |
| Q13 | Public Relations is a broad set of guidelines which makes use of advertising, annual reports, brochures, event sponsorships, and undertaking social projects like helping poor and environment to build or maintain a favorable image with its various publics. Thus, PR is a generic term for a range of specialist and sophisticated skills involved in communication with publics through, primarily, broadcast, published medium. | 2 |
| Q14 | PRODUCT DIVERSIFICATION: Product Diversification refers to the product expansion either in the depth and/or in width. Depth of product-line implies the assortment of colors, sizes, designs, quality, stability, etc. It refers to adding a new product to the existing product line or mix. e.g. - Godrej Company used to manufacture cupboards, locks, safes, refrigerators etc. on a large scale but has now diversified into cosmetics, soaps etc | 2 |
| Q15 | Advantages of Newspaper Advertising 1. In-depth coverage 2. Mobility 3. Results assessable (coupons) 4. Improved printing due to availability of better technology 5. Cheapest in per capita viewing 6. Flexibility of immediate insertion  Limitations of Newspapers 1. Short shelf life, newspapers are read only once 2. Poor print limits creativity 3. Advertisement space may be expensive and Passive medium 4. No audio-Video element 5. Literate people can only understand the advertisement. 6. Every advertisement has to compete against the clutter of other advertisers | 2 |
| Q16 | FACTORS INFLUENCING PRODUCT MIX:   1. Market demand 2. Cost of product 3. Quantity of production 4. Advertising and distribution factors. 5. Use of residuals 6. Competitor’s action. 7. Full utilization of marketing capacity 8. Goodwill of the company | 2 |
|  | **Answer any 2 out of the given 3 questions in 30– 50 words each (3 x 2 = 6 marks)** |  |
| Q17 | Logistical Functions: The functions involved in the physical exchange of goods are called logistical function. The goods are produced by producer/manufacturer and assembled in different assembly lines. Assembling refers to the process of keeping the goods, purchased from different places, at a particular place. Assembling of goods is done only after they have been bought. Not only assembling but also storage, grading, sorting and transportation are essential for physical exchange of goods which forms logistical functions of physical distribution. Grading and packing of goods facilitate handling and sale of goods promptly. Proper storage of goods prevents loss or damage as well as helps regular supply of goods to consumers whenever they want. Transportation makes goods available at places where buyers are located. In the channel of distribution all these functions are performed so that goods may reach the market place at proper time and may be conveniently sold to the ultimate consumers.  Facilitating Functions: These functions facilitate both the transaction as well as physical exchange of goods. These facilitating functions of the channel include post-purchase service and maintenance, financing, market information etc. Sellers provide necessary information to buyers in addition to after sales services and financial assistance in the form of Sale on credit. Similarly, traders are often guided by manufacturers to help them in selling goods, while the traders also inform manufacturers about the customers' opinions about the products. Thus, a channel of distribution performs a variety of functions such as buying, selling, risk bearing, assembling, storage, grading, transportation, post-purchase service and maintenance, financing, market information, etc. But the relative importance of storage is more important for perishable goods and bulky material such as coal, petroleum products, iron, etc. In the case of automobiles, computers, and mobiles etc after sales service is very important. | 3 |
| Q18 | Specialty Products: (1 mark)  These are goods with unique characteristic or brand identification for which a sufficient number of buyers are willing to make a special purchasing effort. Consumers have strong convictions towards the brand, style, or type. For example Cars, High end Watches, Diamond jewelry etc.  Main Features: i. The demand for such products is relatively infrequent. ii. Products are high priced. iii. Sale of such products is limited to few places. iv. Aggressive promotion is required for such products. v. After sales service is required for these products. (2 marks) | 3 |
| Q19 | Three level channel (Manufacturer-Agents-Wholesaler-Retailer-Consumer): Another alternative channel of distribution consists of mercantile agents, wholesaler and retailer. In this case, the manufacturer deals with a mercantile agent. Then the wholesalers buy the goods from the agents and sell the same to retailers. In turn the retailer sells it to the ultimate consumers. This type of channel is referred to as three level channel as there are three types of middlemen involved in the distribution. This level is used particularly when the manufacturer carries a limited product line and has to cover a wide market where an agent in the major areas are appointed who further contact wholesalers and retailers. We have understood that there are a number of channels of distribution prevalent. From the producer's point of view, more the number of middlemen used, lesser is the cost of distribution, distribution vary from one type of product to another. | 3 |
|  | **Answer any 3 out of the given 5 questions in 50– 80 words each (4 x 3 = 12 marks)** |  |
| Q20 | Factors Pertaining to the Product Keeping in view the nature, qualities and peculiarities of the product, could only the channel for distribution be properly made. The following factors concerning the product, affect the selection of the channel of distribution: • Price of the Product. The products of a lower price have a long chain of distributors. As against it, the products having higher price have a smaller chain. Very often, the producer himself has to sell the products to the consumers directly. • Perishability. The products which are of a perishable nature need lesser number of the intermediaries or agents for their sale. Under this very rule, most of the eatables (food items), and the bakery items are distributed only by the retail sellers. • Size and Weight. The size and weight of the products too affect the selection of the middlemen. Generally, heavy industrial goods are distributed by the producers themselves to the industrial consumers.  • Technical Nature. Some products are of the nature that prior to their selling, the consumer is required to be given proper instructions with regard to its consumption. In such a case less of the middlemen arc) required to be used. • Goods Made to Order. The products that are manufactured as per the orders of the customers could be sold directly and the standardized items could be sold off only by the middlemen. • After-Sales Service. The products regarding which the after-sales service is to be provided could be sold off either personally or through the authorized agents. | 4 |
| Q21 | Factors affecting the selection of Promotion Mix :  There is no perfect promotion mix. Everyone has to devise a mix depending upon the situation. It has to be tailor-made depending upon the characteristics of the situation.  1. Push and Pull Strategies: The purpose of promotion is to motivate and persuade not only the ultimate consumers, but also the intermediaries involved who make available goods finally to consumers. If the strategy adopted is to motivate and persuade the intermediaries‟ to make effort to increase the sales the strategy is called push strategy. The push strategy is closely related to the “Selling Concept”. It emphasizes more of personal selling (hard selling)along with advertising and other trade promotional measures. The manufacturer promotes goods to wholesalers, wholesalers in turn promote to the retailers and retailers persuading the consumers to buy. On the other hand, the pull Strategy emphasizes on consumers. If the customer demands particular goods from the retailer and the retailers want the same from the wholesalers and the wholesalers in turn asking the manufacturers to provide that kind of goods. Thus here it is the customer to wholesaler who is pulling the cord. The advertising by the manufacturer may persuade the consumer to ask for the goods to their retailers. Retailers in turn will ask the wholesalers and the wholesalers to manufacturer. The pull strategy works well during recession. The marketing manager will have to decide whether to use push or pull strategy. Customer-targeted marketing communications are pull type communications. The objectives of pull marketing communication are to build awareness, attraction, and loyalty and to reduce search costs. When pull communications are successful, customers will seek out certain products or services and, in essence, by the interest they create, pull the product through the channel. On the other hand, push communications are directed at channel intermediaries. The objective is to motivate channel intermediaries to carry certain products to make available to customers. If successful, push communication strategies result into a wider range of availability, fewer stock-outs, greater merchandising (shelf space), and a greater marketing effort than would have been achieved with little or no push communication. However, to be more successful, a combination of the two is required. 2. Product Features: Use of a particular tool of promotion mix depends upon the type of goods to be marketed. For industrial products more of personal selling is required. For consumer products like HUL‟s Axe, more of advertising is required. For highly image oriented products like fashion garment the presence of designers or celebrities inside the store is required. For goods where not much difference is there in features and performance more of sales promotion is required. Where the organisation is equally important, the public relations become more important. For seasonal products, off-season sale is very important, but advertising is required for round the year sale. This is why the retailers of full sleeve shirts and sweaters and suits organize sale in the month of January. For high-priced products, personal selling is important to mitigate risk. For low convenience goods marketers use advertising rather than personal selling. For products, where customers do not want to talk with the salesperson like Viagra, condom, hair colour (by a senior citizen) the advertising has to be more important. 3. Stage of the Product Life Cycle: In different phases of a product life cycle different tools of promotion mix become more effective. In the introductory stage to create awareness among the customers including business customers and distributors advertising has to be undertaken in a big way. Free samples may be distributed to consumers and trade promotion may be undertaken to motivate distributors to stock the goods. In the growth stage, the consumers have already heard of the product. Promotion has to be directed at specifying product benefits. Advertising increases whereas sales promotion declines. During the maturity stage, the emphasis will be on switching of customers from competitors and hence more of sales promotion is used. In the decline stage the firm will be more interested in harvesting revenue as much as possible. There will be great decrease in expenditure on promotion. 4. Buyer Readiness: If the customer is unaware of a product, advertising and public relations are more important, but when he is in the marketplace sales promotion and personal selling are more important to make a decision. 5. Type of Buyer: Buyers can be of different types and promotion mix has to be devised accordingly. In case of Organizational or business buyers, ads published in specialized trade publications and personal selling are more important; whereas, consumers are swayed by glossy advertisements endorsed by some celebrities. 6. Type of Distribution: For intensive distributable goods, more advertising is done and also the help of sales promotion is taken. For goods sold through selective distribution, the promotion mix would vary, and for exclusive distribution like Rado Watch, high quality furniture, need more of personal selling. 7. Promotion Objectives, Budget, Cost and Availability of Media: Firm’s promotional objectives are reflections of overall marketing objectives. If the objective is to make mass awareness, the firm may go in for advertising, sales promotion and public relation. Most of the food companies, like Nestle, HUL, PepsiCo not only go in for aggressive ad campaigning, but also distribute free samples and go in for public relations. If the objective is to invite the customer to the store where demonstration can be shown, then a combination of small advertising (to inform), sales promotion (to attract) and personal selling (to persuade) is undertaken. Apart from objectives the promotion mix would be determined on the basis of budget made available to marketing department. If it is small the firm would concentrate on personal selling. If it is larger, then the firm can advertise through regional and national media like that of HUL in India. Cost of promotional tools is important in determining promotion mix. To reach a larger audience advertising is used. Many a companies now do not buy ad slots in cricket tournaments as it has become a very costly affair. Of the small entrepreneurs they make use of local directories, cable TV bands, radio, local newspapers, outdoor ads and other promotional methods. Even if the budget is there and the cost is ok, the availability of media is equally important. No marketer of tobacco or alcohol products is permitted to advertise on TV channels in India. Many ads are denied if they are against national dignity and interest and disrespect the motherland‟s culture. In some of the countries „comparative advertising‟ is not allowed. 8. Digital Dimension: Over the last 10 years, the speed and depth of information access has changed. The marketers and advertising agencies have to grapple with the speed of digital medium. It is about understanding the digital media as human beings rather than as techies. Of course, the marketer should understand technology, but after that as to how consumers relate to it. 9. Elections: Coca Cola. Tata Global Beverages, Hero MotoCorp and shampoo maker CavinKare are looking to exploit campaign time. However, Consumer goods companies like Parle Products, Godrej Consumer Products, Marico, Dabur and Rasna don‟t plan any increased distribution or sales pitches. Some people are of the opinion that political parties often expect donations and products for free, adding that mismanagement is rife at election rallies. | 4 |
| Q22 | Explain the third stage of Product life cycle with the help of a suitable diagram. Describe its characteristics and the marketing strategies to be adapted at this stage.  The third stage is the maturity stage.    The products that withstand the heat of competition and customers‟ approval enter the maturity stage. Rivals copy product features of successful brands and become more alike. The price wars begin along with heavy focus on unique brand features that still exist. Industry sales peak and decline as the size of potential markets begins to shrink and wholesaler and retailer support decreases because of declining profit margins. Middlemen also introduce their own brands, which makes the competition even tougher further lowering profits in industry. During this stage the marketers are focusing effort on extending the lives of their existing brands. Product managers have to play a very important role for carving a niche within a specific market segment through increase in service, image marketing and by creating new value image and strengthening through repositioning. They should also consider modifying the market, product and marketing mix to fight competition and take it closer to the customer so as to register adequate profits to remain in the business.  The characteristics of this stage are • Costs would be decreased as a result of increase in production volumes • The Sales volumes peak and market saturation is visible. • Competitors entering the market increase • There is drop in prices due to entry of competing products • Advertising spend incurred on brand differentiation • Product feature diversification is emphasized to maintain or enhance market share. • The industrial profits decrease during this period.  MARKETING STRATEGIES IN MATURITY STAGE 1. Product managers have to play a vital role for carving a niche within a specific market segment through enhanced service, image marketing and by creating new value image and strengthening through repositioning. 2. They should also consider modifying the market, product and marketing mix to fight competition and take it closer to the customer so as to register adequate profits to remain in the business | 4 |
| Q23 | Identify the channel intermediary who provides the important link between the manufacturer or producer and the retailer in the market.  List down and explain the various functions performed by this channel member.  A wholesaler provides an important link between the manufacturer or producer and the retailer. It takes title to the goods he handles and assumes marketing risks in the process of distribution of goods. He purchases in bulk and sell in small lots to the retailer or industrial users and is generally away from the ultimate consumers. Functions Of Wholesalers The wholesaler performs the following important marketing functions in the process of distribution of goods and service: • Buying And Selling: The wholesaler make an estimate of demand for the goods, and then purchase and assembly different varieties of goods from different manufacturers spread throughout the country. They also undertake import of goods from different countries. • Storage: Wholesaler keep the goods assembled by them in their warehouse to supply them to retailers whenever require. They help the manufacturers and retailers by making storage arrangement. • Transportation: Wholesalers make transportation arrangement from the premises of manufacturers to their godowns and from their godowns to the retail stores. They often maintain their own fleet of vehicles for this purpose. • Grading And Packing: Wholesalers grade the goods according to certain standards which they have purchased from different manufacturers. Some manufacturers also give brand names to graded products to convince the consumers or industrial users about the quality of the products they deal in. They also undertake the packaging of goods in convenient lots. • Financing: Wholesalers provide financial accommodation to both the manufactures and the retailers. They generally purchase goods on cash basis from the manufactures and sometimes also give advance to the manufactures. Thus, the manufactures need not wait till product are sold .The wholesalers help the retailers by selling the goods on credit. • Risk-taking: Wholesalers assumes a large number of risks in the process of distribution of goods. These risks may occur on account of charges in prices and demands, spoilage of goods, and bad debts. Thus, they undertake many marketing risks which would have been undertaken by the manufactures and retailers. • Promotion: The wholesalers job’s does not end with the selling of goods to the retailers. They also assist in the dispersal of goods by the retailers situated in various markets .They perform advertising and other sales promotion activities in order to promote the sale of their product. | 4 |
| Q24 | Define the term “ Sales promotion”. Explain its objectives in detail  Role/ Importance/objective of Sales Promotion UK Institute of Sales Promotion has defined sales promotion as “Any activity which aids value to a product or service for a limited time period by offering an incentive to purchase.” Objective of Sales Promotion 1. Increased trial: Existing customers will increase the sales volume as they will buy in bulk. 2. Increasing Loyalty: Loyalty keeps customers buying even when it is no more the cheapest and the best. 3. Widening Usage: Here the marketer has to tell the users of other uses. 4. Creating Interest: Value promotions that create interest are characterized by humor, inventiveness, typically and style through - being the first to offer a new product as a promotional medium, linking up with a new celebrity or relevant charity or finding a totally new way to do something that people enjoy doing. 5. Creating awareness: Though this job is left to advertising, but there are number of sales promotions very effective at making people aware of products through joint promotions with other product or service which is already well known in the market. 6. Deflecting Attention from Price: It may lead to price wars which have a destructive effect on firm’s profitability 7. Gaining Intermediary Support: Specific programs directed at wholesalers, retailers, agents, distributors to gain distribution, display and cooperative advertising, introducing new customers, sales promotion is a must. 8. Discriminating among users: Usage varies from time to time. In case of airlines, train companies, and leisure facilities, customers are motivated by price. They book early and on-line. Particular groups are given additional benefits. 9. Restoring Brand Perceptions and deflecting attention from Complaints after operational Mishandling of customer accounts: The companies offer special sales promotion benefits to those who complain. | 4 |

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