

Chapter 10

Marketing

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Short Answer Questions

Q1. Give two example of shopping products.

Ans. a) Clothes

b) Shoes

Q2. From producer to retailer to consumer identify the type of channel of distribution.

Ans. One Level channel.

Q4. Which channel will you recommend for distribution of perishable goods?

Ans. zero Level or One Level Channel.

Q5. Name any two print medias of advertising.

Ans. Magazines, Newspapers.

Q6. Name the concept of marketing which pays attention to the Social, Ethical and ecological aspects of marketing along with consumer satisfaction.

Ans. Societal concept of marketing

Q7 How does labeling act as a silent Salesman?

Ans Labeling act as a silent salesman because it helps in promotion of products by attracting the attention of customers and providing required information.

Q8 Name the non paid and non personal form of promotional tool.

Ans. Publicity.

Q9 Advertising encourages sale of inferior and dubious products and ‘Advertising confuses rather than help’s . Do you agree? Give reasons.
OR

‘Advertising costs are passed on to the consumers in the form of higher prices’ and ‘ Some advertisements are in bad taste’. Do you agree? Give reasons in support of your answer.

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Ans. no, explain the arguments in favor and against of advertising. Conclusion: in the era of globalization advertising is considered as an important tool of marketing. it helps in increasing sales and thereby reducing cost. it is not a social waste rather boosts production and employment.

Q10 .As a publisher, you have published a new book on marketing management. How will you determine the price of this book?

Ans. Hint- For following factors are to be discussed before fixing price of the book.

- a) cost of Production.
- b) Demand of the book.
- c) Price of other competitive books.
- d) Purchasing power of the customer.
- e) Gout regulation etc.

Q11. You have invented a new device to detect impurities in petrol. Which two advertising media would you use and why?

Ans. Two methods of advertising that I would adopt are

- 1) Newspaper and television
- 2) Direct selling at the point of purchase of petrol i.e. at petrol pump.

Reasons for opting for direct selling at petrol pumps are –

- 1) this method is suitable for introducing new product.
- 2) It will reach directly to the targeted consumer group.
- 3) The working of the new device can be demonstrated to the consumers at the site itself.

Q12. “Introducing a scheme of 50% + 40% less by the koutons” is the example of which sales promotion technique?

Ans: The name of this sales promotion scheme is ‘Discount’.

Q13. Name the Sales promotion technique in which ‘Scratch Cards’ are used?

Ans. It is “Instant draw and assigned gift”.

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Q14. ‘Automobiles Ltd. Offered to sell their new bike at about Rs. 4000 less than the usual price’ is an example of sales promotion. Name the technique and explain two other techniques with examples.

Ans: Hints: The name of this technique is ‘Rebate’. Under it, in order to clear the excess stock products are offered at reduced prices. Explain two other techniques such as full finance @0% and samples.

Exercises

Very Short Answer Questions

Q.1 State any two advantages of branding to marketers of goods and services.

The advantages of branding to marketers of goods and services are as follows:

1. It enables a firm to distinguish its product from the competitor firm.
2. A product, when provided with branding, will make it known among customers and will attract new business. Branding makes advertising the product easier.

Q.2 How does branding help in differential pricing?

A brand name helps in creating an image among consumers about the product's quality. It helps customers differentiate the products of different firms. Marketers can charge different prices, and having a good brand image, the organisation can charge premium prices.

Q.3 What is the societal concept of marketing?

The societal concept of marketing is the concept where the needs of the market are identified by the organisation along with target customers. It helps in delivering products and services efficiently. Businesses should meet the long-term requirements of the consumer and look after their well-being through their products.

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Q.4 List the characteristics of convenience products.

Products that can be bought immediately on a frequent basis and with minimum effort are referred to as convenience products. The following are the characteristics of convenience products:

1. Products are easily available, and there is minimum effort and time are required. Also, products are located in convenient places.
2. These products are frequently consumed and have an ongoing demand. Essential commodities are classified as convenience products.
3. Convenience goods are available at low prices and in units of small products.
4. These products have high competition and require a good amount of advertising.

Q.5 Enlist the advantages of packaging consumer products.

Packaging is the technique of designing a container for a product. It has the following advantages:

1. It enables product differentiation.
2. By using different colours, symbols and pictures, it acts as a promotional tool.
3. Greater convenience is achieved in product handling.
4. It protects the quality of the product by preventing the breaking or spoiling of the product during transportation and storage.

Q.6 What are the limitations of advertising as a promotional tool? Enlist.

Advertising as a promotional tool has the following limitations:

1. It is less forceful due to a lack of personal communication
2. It is difficult to evaluate the effectiveness of advertising
3. Advertisements are standard in form and cannot be modified as per different consumer group requirements.

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4. The effectiveness is low as there can be a large number of advertisements.

Q.7 List five shopping products purchased by you or your family during the last few months.

The following products were purchased:

1. Watch
2. Mixer Grinder
3. Electric Iron
4. Clothes
5. Laptop Accessories

Q.8 A marketer of colour TV, having 20% of the current market share of the country, aims at enhancing the market share to 50 per cent in the next three years. To achieve this objective, he specified an action programme. Name the function of marketing being discussed above. (Ans. Marketing planning.)

The most important activity that a marketer needs to develop is an appropriate marketing plan that will help in achieving the objectives. In this question, it is marketing planning that needs to be implemented so as to decide on the strategies that should be put into action for achieving the objectives.

Short Answer Questions

Q.1 What is marketing? What functions does it perform in the process of exchange of goods and services? Explain.

Marketing is the process where there is interaction between buyers and sellers for the purchase of goods and services. Marketing has different approaches, sometimes involving pre and post-production processes. Marketing performs the following functions in the exchange of goods and services:

1. Planning

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2. Designing of the product
3. Packaging
4. Labelling
5. Branding
6. Warehousing
7. Transportation
8. Support services

Q.2 Distinguish between the product concept and production concept of marketing.

Basis of Comparison	Product Concept	Production Concept
Belief	Product concept believes that consumers favoured quality products and profit can be increased by increasing the product quality.	The production concept believed that consumers would be favouring products that are readily available and affordable. Therefore, profits can be maximised by increasing the production volume.
Focus of the business	The main focus areas were on improving product quality and the addition of new features to the product.	The primary focus was on improving the production quantity and also reducing the production cost.
Methodology	Product quality and improvement of features were the primary emphases.	Production efficiency was the primary point of emphasis.

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Q3. Product is a bundle of utilities? Do you agree? Comment.

A customer, at the time of purchasing a product, will look forward to the utility that the product offers. Customers seek many types of benefits from a product which can be social, psychological or functional. Therefore, it can be said that the product is a bundle of utilities as there are many benefits of owning the product.

Q.4 What are industrial products? How are they different from consumer products? Explain.

The products that are used as inputs in the production of other goods are known as industrial products. These goods are used as raw materials for producing finished goods, on the other hand, consumer products are those products that customers utilise for consumption. The points of distinction between industrial and consumer products are as follows:

Basis of Comparison	Industrial Products	Consumer Products
Number of Customers	The customer number is limited. For instance, oil-producing seeds are not purchased by many.	A higher number of customers for the end product. For instance, the oils produced from seed have many customers.
Channel of Distribution	Shorter channels of distribution are required for such products.	These products require both short and long distribution channels (which depend on the type of product) before reaching the end user.
Location	It is concentrated in areas where there are industries which require such products.	These products are easily available through local retailers.

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Demand	Industrial product demand is based on consumer product demand.	Consumer products set the requirement for the industrial products
Role of Technical Features in Decision Making	Technical features have an important role in decision-making.	Technical features do not have a role in decision-making as consumer products do not have technical complexity.

Q.5 Distinguish between convenience product and shopping product.

Basis of Comparison	Convenience Product	Shopping Product
Demand	These products have a regular demand in the market.	These products have less demand as compared to convenience products.
Nature of Products	Includes products that fall under essential commodities.	Includes goods that are durable in nature
Unit of Purchase and Price	Available in small units having low unit prices and, therefore, a low margin of profit.	Products are available in bigger units with high prices for units which translates to higher profit margins.
Nature of Purchase	These products are bought impulsively and without any time and effort	Consumers spend considerable time on purchasing these products
Example	Stationery items, groceries, chocolates	Car, furniture, jewellery

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Q.6 Describe the functions of labelling in the marketing of products.

Labelling is an important part of the packaging process. It gives the product users a basic idea of what the product is all about. Here are the functions of labelling:

1. It provides a small description of the product where it mentions the application, warnings, directions of use etc.
2. It helps to identify the product easily. It helps consumers to differentiate between products.
3. It helps in easy classification into different categories of the same product.
4. It helps businesses to promote their product. Attractive labelling is a great way to promote any product.
5. It provides the necessary information as mandated by law regarding the product.

Q.7 Discuss the role of intermediaries in the distribution of consumer non-durable products.

Intermediaries are an important part of product marketing. They help in the transfer of goods from the production centre to the consumers.

In the case of non-durables, intermediaries perform the following functions:

1. Sorting goods into homogeneous groups based on their characteristics.
2. Maintains large stock of goods that ensures supply is well maintained.
3. Breaking down bigger stocks into small units.
4. Maintaining a variety of goods in a single place.
5. Helping the manufacturers in promoting the product by putting up display boards and banners.
6. By acting as a middleman and setting the deal by negotiating the product price so that both consumer and manufacturer are satisfied.

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7. Acquiring goods from manufacturers and keeping them in safe custody and bearing the risk of market fluctuations.

Q.8 Explain the components of physical distribution briefly.

The movement of products from the place of production to the place of consumption is called physical distribution. The components of physical distribution are as follows:

1. **Order processing:** Order processing consists of steps such as order placement, order transmission, inventory maintenance, goods delivery etc. As such processes are time-consuming, a physical distribution system must ensure proper order processing. Customer satisfaction can be achieved by fast and accurate order processing.
2. **Product transportation:** Product transportation is the physical movement of goods from the production unit to the consumers.
3. **Warehousing:** It is the process of storing the goods obtained from manufacturers before being introduced for sale to the customers. Warehouses provide ready stock of goods that can be made available in the market.
4. **Inventory maintenance:** Inventory is maintained to provide a timely supply of goods; it promotes customer satisfaction. Inventory maintenance is cost intensive; therefore, a firm must find the balance between inventory and customer satisfaction.

Q.9 Define advertising. What are its main features? Explain.

Advertising is a technique for promoting a product. Companies use advertising as a medium to attract customers towards their products in order to make a sale. The most common mediums of advertising are newspapers, television, internet, social media, magazines etc.

Here are some of the important features of advertising:

1. Advertising is a paid form of promoting products or services. The sponsor bears the cost of advertising.

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2. It is an impersonal mode of communication. It involves no face-to-face communication between the advertiser and the customer. It is devoid of personal touch.

3. There are some sponsors who like to design an advertisement and also bear the costs that are involved.

Q.10 Discuss the role of ‘sales promotion’ as an element of the promotion mix.

Sales promotions are incentives that are sometimes offered to encourage sales of the product. The typical sales promotions will include gifts, discounts, free samples etc. These activities are in addition to the other promotional activities taken by the company, such as direct selling and advertising. These promotions drive purchases. Sales promotional activities are beneficial during a new product launch, where they can boost sales.

Q.11 As marketing manager of a big hotel located at an important tourist destination, what societal concerns would be faced by you and what steps would you plan to take care of these concerns? Discuss.

The marketing manager will face the following societal concerns:

1. The activities that are carried out by businesses should not cause environmental pollution.
2. The facilities offered in the hotel should be pocket friendly.

To resolve these concerns, the manager can take the following steps:

1. To solve the pollution issue, the manager can check that wastes from the hotel are managed in a proper way. Wastes should be disposed of as per their characteristics, such as dry and wet waste.
2. The prices for the items that are sold inside the hotel premises must not be more than the maximum retail price of the item.

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Q.12 What information is generally placed on the package of a food product? Design a label for one of the food products of your choice.

The most common information provided in food packages are as follows:

1. Product name
2. Manufacturer name and address of plant
2. Logo of the product
3. Ingredients of the products
4. Directions of use/How to prepare
5. Product features
6. Caution (if needed to be taken)
7. Customer care or grievance cell number

Q.13 For buyers of consumer durable products, what ‘customer care services’ would you plan as a manager of a firm marketing a new brand of motorcycle? Discuss.

Customer care services for the marketing of motorcycles are as follows:

1. Support for EMI payments
2. Support for an extended warranty on bikes
3. Zero finance schemes
4. Servicing reminders
5. Two-wheeler insurance schemes support

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Long Answer Questions

Q.1 What is the marketing concept? How does it help in the effective marketing of goods and services?

The marketing concept is a part of marketing management that puts more emphasis on customer satisfaction. It is the belief that customer satisfaction is vital for the success of any business. A business can grow if only it identifies the needs of customers and works towards getting those needs fulfilled. The business will maximise profits if it is customer-centric. The marketing concept is that people purchase a product to satisfy a need which can be social, psychological etc. Therefore, all the decisions must be taken by the organisation with the customer's needs in mind.

Marketing concept puts emphasis on the customer, and therefore all the activities related to marketing of goods and services will be targeted towards the customer. As the customer is the focus, the goods or services will be very effectively sold.

Q.2 What is marketing mix? What are its main elements? Explain.

The marketing mix is a set of marketing tools that a company uses to promote their product or brand in the market. Marketing tools are factors that determine the outcome of the business. The marketing mix consists of 4 P's, which are product, price, place and promotion, and are described in detail below:

1. **Product:** A product is any good or service that offers the customer value and satisfies their needs. The product must satisfy the requirements of the customer then only it will be successful. It should also contain proper sales support and services.
2. **Price:** Price is the second factor of the marketing mix. It refers to the money customers pay to obtain any service or goods. Price is an essential factor for consumers. It affects the demand for a product. With the rise in price, the demand reduces and vice versa. Business organisations should analyse the various factors that will be suitable to determine the price of the product. The pricing should be determined by taking into consideration target customers and the pricing policy

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followed by competitors. The price fixed for a product must make the customer feel that it is adequate for the product.

3. Place: In addition to product and pricing, a firm must also decide on the place where it will be making the product available to the customers. A firm must find the appropriate distributors and dealers for the goods. Other important decisions that can be taken are the location of warehousing, inventory storage and transportation of goods.

4. Promotion: Promotion refers to those activities where consumers are made aware of the product availability utilising various strategies such as sales, advertising, banners, online promotion etc. The medium of promotion should be carefully decided by the organisation in order to derive maximum reach.

Q.3 How does branding help in creating product differentiation? Does it help in the marketing of goods and services?

Branding is the process of giving a totally unique name, symbol and logo for the product so that it is easy to identify by the customer. By using branding, firms bring about differentiation (based on name, symbol, logo) in their product from other similar products available in the market.

Branding, in addition to helping in product differentiation, also helps in marketing of goods and services. The following points highlight the importance of branding towards marketing of goods and services.

1. Branding helps a firm in product advertisement, and advertisement is possible only when product branding is done. Without branding, the advertisement will be created for the whole product class.
2. Branding helps create loyalty among consumers. Firms can use this loyalty and charge prices which is different from their competitors. The consumer, due to the loyalty associated with the brand, will be willing to pay a premium for the product.
3. Branding helps in establishing a base which helps in pushing for a new product that is produced by the firm. Any new product launched by an already established

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brand name will make the users try the product as they have an already developed loyalty for the brand.

Q.4 What are the factors affecting the determination of the price of a product or service? Explain

Price is the amount of money that is paid by the customers to obtain a product. The price will determine the demand for the product in the market. Price also plays an important role in product marketing. If there is any change in the price, it will impact the revenues and the profits of the business. Firms producing similar goods will compete with each other in the market on the basis of the price of the product.

Here are the factors that determine the price of any product or service:

1. Product cost plays an important role in determining the final price of the product. The product cost will involve costs related to production, distribution and the sale of the product. The type of cost associated with a product can be either fixed, variable or semi-variable in nature. Fixed costs are those costs that are a one-time cost and do not change with the output, while variable costs vary with the production, and these include labour cost, raw material etc. Semi-variable costs vary with the level of output, but the proportion is not the same. Therefore, before determining the price of a product, a firm has to make a note of all these costs so that profit can be obtained by selling the product.
2. To determine the pricing of a product, a firm has to also check the demand for the product in the market. To determine the demand, the concept of elasticity of demand is important. It refers to the proportion of change in the demand for an item due to a corresponding change in the price of the product. The demand can be said as elastic if, due to a small change in price, the demand gets changed by a large margin. In such a situation, a firm is unable to charge a high price as it will result in a reduction in the demand for the product. If the demand is inelastic, the change in price will not affect the demand that much.
3. If the level of competition in the market is more in the market, the firm cannot charge more for the product, as charging a high price in a competitive market will

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make customers move towards the competitors. Similarly, for a firm having less or no competition, it can charge a high price.

4. Government, at times, may intervene in the pricing mechanism for the public interest.

5. Each firm will have a separate objective for pricing. Some of the objectives of pricing are as follows:

- i. Firm aim to maximise the profit, the firms may have a short or long-term objective for maximising profit, and in such case, their pricing strategy will be accordingly.
 - ii. For a firm looking to capture a greater portion of the market, it would charge a price that is lower than its competitors.
 - iii. In situations of stiff competition, a firm will reduce its price to be more acceptable to consumers.
 - iv. For firms focusing on quality products, a higher price can be charged.
6. The types of marketing used by the firm will also determine the price. The marketing techniques will involve advertisement and branding campaigns, which will determine the price. If more budget is used in running an advertisement campaign, then prices will be high.

Q.5 What do you mean by channels of distribution? What functions do they play in the distribution of goods and services? Explain.

Channels of distribution are those institutions, agents or individuals who help in the process of providing distribution. Due to the spread of customers across large areas, it is not possible for businesses to reach them alone. In this case, these channels of distribution will help the customers in making the product available.

The functions of the channels of distribution are as follows:

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1. Supply of goods is received from different sources. But the goods can be of different shapes and sizes, it needs to be taken care of by the intermediary as per the characteristics.
2. The segregated items will be collected by a middleman and stored to ensure a good supply.
3. Goods are packed into units by another middleman.
4. Intermediaries such as retailers will keep a stock of different items for selling to the consumer.
5. Retailers will help manufacturers in promoting the product by offering sales promotions.
6. The intermediaries form a link between the producer and the consumer.
7. Intermediaries also bear the risk of storing goods in uncertain situations or situations of low demand.

Q.6 Explain the major activities involved in the physical distribution of products.

The movement of products from the place of production to the place of consumption is called physical distribution. The major activities involved in the physical distribution of products are as follows:

1. Order processing: Order processing consists of steps such as order placement, order transmission, inventory maintenance, goods delivery etc. As such processes are time-consuming, a physical distribution system must ensure proper order processing. Customer satisfaction can be achieved by fast and accurate order processing.
2. Product transportation: Product transportation is the physical movement of goods from the production unit to the consumers.

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3. Warehousing: It is the process of storing the goods obtained from manufacturers before being introduced for sale to the customers. Warehouses provide ready stock of goods that can be made available in the market.

4. Inventory maintenance: Inventory is maintained to provide a timely supply of goods; it promotes customer satisfaction. Inventory maintenance is cost intensive; therefore, a firm must find the balance between inventory and customer satisfaction.

Q.7 Expenditure on advertising is a social waste' Do you agree? Discuss

Advertising expenditure is considered as social waste due to multiple factors, such as it adds to the cost of the production of the company and also increases customer requirements for more such products. The following points will help in determining whether advertising is a social waste or not.

1. Advertising is high-cost intensive; the businesses thus pass on this cost to the consumers at the time of determining the price of the product. But the positive point that can be seen is that advertisement can help in reducing the cost of production by increasing customer demand for the product.

2. The major point which impacts advertising is that it weakens social values and promotes the sense of materialism in society. Customers want to acquire any new product to fulfil their desires. But this process will run forever as long as any new product is prepared.

3. Advertisements are said to create confusion among customers as so many different varieties of the same product will be available in the market. Customers get confused as to which brand to buy.

4. Advertisement is done for both good and bad quality products. Again, the good and bad quality concepts will vary from customer to customer.

5. Advertisements are said to erode social values by using content, images, action, gestures or language, which is not acceptable by all sections of society. Again, the same rule will apply that what is perceived as bad by someone may be seen as good by the other.

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Q.8 Distinguish between advertising and personal selling.

Basis of Comparison	Advertising	Personal Selling
Personal v/s Impersonal	Advertising is an impersonal form of communication as the communication happens between buyer and seller through mediums such as newspapers, social media, television etc.	Personal selling is a personal form of communication in which the interaction between buyer and seller is direct.
Reach	Advertisements reach a broader audience; hence the reach of advertising is large.	Personal selling has a reach which is comparatively narrower than advertising, as very few people can be approached directly.
Flexibility	Advertising is created in a standardised manner and is not suitable for adjusting to various customer requirements.	Personal selling is more flexible as compared to advertising, as the message for selling can be altered for individual customers as per their characteristics and requirements.
Target Group	Advertising is suitable where there is a need to reach out to a large number of customers.	Personal selling is suitable for the situation where marketing is to be done for fewer customers as compared to advertising.
Cost Involved	Due to the mass reach of advertising, the cost of advertising per person is low compared to personal selling.	Due to the non-availability of mass reach, the cost of personal selling per person is more as compared to advertising

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Time Involved	A large number of customers can be reached through advertising at a time therefore, the time required to cover the market will be less as compared to personal selling.	Less number of customers can be reached through personal selling at a time therefore, the time required to cover the market will be more as compared to advertising.
Customer Feedback	Through advertising, feedback and reactions of the customers cannot be judged.	It is comparatively easier in the case of personal selling to understand the reactions and feedback of customers as the interaction happens directly between buyer and seller.
Medium of Communication	The various forms of communication for advertising are newspapers, pamphlets, social media, radio and television etc.	Personal selling uses a direct form of communication through the interaction of the buyer with the salesperson.
Objective	The basic objective behind advertising is to create customer interest towards the said product.	Personal selling is all about making a customer aware of the product and bringing about the decision to purchase the product.

Q.9 Explain the factors determining the choice of channels of distribution.

The most important decision in marketing is the use of a channel of distribution. It is influenced by the following factors:

1. Distribution will depend on the type of product that is produced. It should be checked if the product is of the following characteristics:

i. Perishable or non-perishable

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ii. High or low-value product

iii. Industrial or Consumer product

iv. The degree of complexity of the product.

2. The company characteristics will also play a major role in determining the choice of product, the major points are the degree of control the company wants to have on intermediaries and the financial strength of the company. As a rule of thumb, shorter distribution channels offer more control to financially strong companies.

3. The level of competition and the distribution channel strategies adopted by the competitors is critical in determining the distribution adopted by the company. The company can adopt a similar strategy or use a different one after analysing the competitor.

4. Various environmental factors such as legal policies and financial constraints also impact the channel of distribution decision. If more legal complexities are involved in the association of larger channels of distribution, then companies will be more interested in opting for shorter channels of distribution.

5. The choice of channel distribution can also be affected by various market factors such as demand, size of the market, and demographics of buyers. If the user base spans a large area, then larger distribution channels can be opted for, and vice versa.

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Multiple Choice Questions

1. Under which of the following conditions does a business need not maintain a high level of inventory?

- (a) When a higher level of customer services need to be provided
- (b) When a high degree of accurate sales forecast can be made
- (c) When the responsiveness of the distribution system is low
- (d) All of the above

Answer: (b) When a high degree of accurate sales forecast can be made

2. Under which of the following conditions will the company not be able to provide a high level of customer service?

- (a) When it maintains a high level of inventory
- (b) When it maintains a low level of inventory
- (c) When it owns a large number of warehouses
- (d) None of the above

Answer: (b) When it maintains a low level of inventory

3. Under which of the following situations is a company not likely to fix a lower price for its product?

- (a) When the competition has introduced a substitute product
- (b) If the demand for a product is inelastic
- (c) When the company wants to attain market share leadership
- (d) When the demand for the product is low

Answer: (b) If the demand for a product is inelastic

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4. Under which of the following conditions is a marketer not likely to fix the price of his products at the higher-end?

- (a) When he faces a high degree of competition
- (b) When he wants to attain market share leadership
- (c) When the product is unique in terms of packaging, product difference, and product differentiation
- (d) When the demand for the product is low

Answer: (c) When the product is unique in terms of packaging, product difference and product differentiation

5. The labelling of a pack of oats cookies explains how the product is beneficial in adding fibre to the diet and the other related health benefits. Identify the related function of labelling being described in the given case.

- (a) Describes the product and specifies its content
- (b) Identification of the product or brand
- (c) Grading of products
- (d) Helps in promotion of the products

Answer: (d) Helps in promotion of the products

6. What does the symbol given below denote?

- (a) Brand name
- (b) Brand mark
- (c) Trademark
- (d) Generic name

Answer: (c) Trademark

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7. Which of the following can be marketed?

- (a) Red Cross society persuading to donate blood
- (b) Kerala Tourism persuading people to visit Kerala for health tourism
- (c) Political parties persuading to vote for a particular candidate
- (d) All of the above

Answer: (d) All of the above

8. Which of the following statements does not reflect a condition to be satisfied for an exchange to take place?

- (a) Involvement of at least two parties – the buyer and the seller is mandatory
- (b) Each party should be capable of offering something of value to the other
- (c) Exchange can take place if the buyers and sellers are not able to communicate with each other
- (d) Each party should have the freedom to accept or reject the other party's offer

Answer: (c) Exchange can take place if the buyers and sellers are not able to communicate with each other.

9. Which of the following is a feature of the marketing process?

- (a) Satisfying needs and wants of the consumers
- (b) Creating a market offering
- (c) Developing an exchange mechanism
- (d) All of the above

Answer: (d) All of the above

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10. Which of the following statements is not true with regard to the concept of a product?

- (a) It is a bundle of utility
- (b) It is a source of satisfaction
- (c) It is confined to physical product
- (d) All of the above

Answer: (c) It is confined to physical products.

11. According to the modern marketing concept, which of the following statements is true?

- (a) It refers to the group of people who do not have the ability but willingness to buy a particular product
- (b) It refers to only the set of people who have the purchasing power to buy a particular product
- (c) It refers to the set of actual and potential buyers for a product
- (d) It refers only to the people who show interest in a particular product

Answer: (c) It refers to the set of actual and potential buyers for a product

12. The term 'market' may be understood in which of the following contexts?

- (a) Geographical area covered
- (b) Type of buyers
- (c) Quantity of goods transacted
- (d) All of the above

Answer: (d) All of the above

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13. Karam Limited is offering a travel package for 15 destinations worldwide with free insurance on the bookings for the month of December 2019. Identify the feature of marketing being described in the above lines.

- (a) Needs and wants
- (b) Creating a market offering
- (c) Customer value
- (d) Exchange mechanism

Answer: (c) Customer value

14. In order to promote the habit of health and hygiene among weaker sections of society, Abhyas Limited has launched low-cost packs of hand wash. Identify the type of marketing philosophy being adopted by the company.

- (a) Product concept
- (b) Production concept
- (c) Marketing concept
- (d) Societal marketing concept

Answer: (b) Production concept

15. In order to get feedback about its new product launch, Taggi Limited conducted an online survey through a short questionnaire. Identify the marketing function being mentioned in the given line.

- (a) Gathering and analysing market information
- (b) Marketing planning
- (c) Product designing and development
- (d) Packaging and labelling

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Answer: (a) Gathering and analysing market information

Summary

MEANING OF SOME IMPORTANT TERMS:

- **Needs** = basic human requirements. Essential items necessary or fundamental to human existence.
- **Wants** = desire for a particular product. Tend to be “satisfier specific”.
- **Demand** - willingness to buy is backed by purchasing power
- **Utility** – want satisfying power of a product.
- **What can be marketed:**
 - A product =
 - bundle of utility not confined to physical products but can refer to other things of value such as services, ideas, place. It refers to anything that satisfies a need or want.
 - may be tangible or intangible(i.e. goods and services)
 - even people can be marketed
- **Customers** = people or organizations that seek satisfaction of their wants.
- **“Marketers”** =
 - Anyone taking a more active role in the process of exchange is called a marketer. Normally it is the seller. But in certain situations, it may also be the buyer. This may be in the situation of rare supply.
 - Sellers as marketer are the deliverers or providers of satisfaction. They make available products or services and offers them to customers with an intention of satisfying customer needs and wants. They can be divided into:
 - Goods marketers (such as Hindustan Lever)
 - Services marketers (such as Indian Airlines)
 - Others marketing experiences (such as Walt Disney) or places (like tourist destinations).
- **Marketing activities** = activities carried on by the marketers to facilitate exchange of goods and services between the producers and the users of such products.
- **Market is:**
 - 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 thro

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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)

Important Features of Marketing

- 1. Needs and wants:** Satisfaction of the needs and wants of individuals and organizations.
- 2. Creating a market offering:** Complete offer for a product or service.
- 3. Customer value:** greatest benefit or value for the money.
- 4. Exchange mechanism:** Exchange of products/services for money/for something of value to them.

Meaning and concept of Marketing Management

Marketing management means management of the marketing functions. It is the process of organizing, directing and controlling the activities related to marketing of goods and services to satisfy customers' needs & achieve organizational goals.

The process of Marketing involves:

- i. Choosing a target market
- ii. Getting, keeping as well as growing the customer
 - that is, ensure that the target customers purchase the firm's product, ensure that they keep their customers satisfied with the products and attract new customers so that the firm can grow.
- iii. Create, develop and communicate superior values to the customers.

Functions of Marketing/Marketing activities

Gathering And Analyzing Market Information:

- systematic investigation of facts
- SWOT analysis
- Necessary to identify needs
- Decisions can be wrt. Identifying customer needs and wants, identifying buying motives, choice of a brand name, packaging and media used for promotion.
- Data is available both from primary as well as secondary sources.

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Marketing planning :

- Aim = to develop a complete marketing plan so that the marketing objectives can be achieved.
- It also must specify the action programs .
- E.g if a marketer aims at enhancing his market share in the country in the next three years, then his marketing plan should include various important aspects like plan for increasing level of production, promotion of products etc.

Product designing and development:

- Involves decisions regarding the product to be manufactured and its attributes such as its quality considerations, packaging, models and variations to be introduced etc..
- Done by anticipating customer needs and developing new products or improving existing products to satisfy these needs.

Standardization and grading:

- Standardization = Process of setting certain standards for a product on the basis of its desired qualities. E.g. ISI mark for electrical goods.
- Grading = Division of products into classes made up of units possessing similar features such as for agricultural products

Packaging and labeling:

- Packaging‘ refers to designing a package (that is a wrapper or a container) for a product.
- Packaging protects the products from damage , risks of spoilage, breakage and leakage. It also makes buying convenient for customers and serves as a promotional tool.
- Labeling = designing a label to be put on the package. It may vary from a simple tag to complex graphics.

Branding

- Whether to sell the product in its generic name or in a Brand name.
- Helps in differentiation, builds customer loyalty and promote its sale.
- Decision = whether each product will have a separate brand name or the same brand name to be used for all products.

Concepts & Philosophies of Marketing

1. PRODUCTION CONCEPT = In the earlier days of the industrial revolution, the number of producers were limited, → limited supply of industrial products →

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not able to match demand . So, anyone who was able to produce goods could easily find buyers for the same.

2. PRODUCT CONCEPT= With passage of time, the supply improved→ customers started looking for products that were superior in performance, quality and features.

3. SELLING CONCEPT= increase in scale of production→ competition among the sellers → Product quality and availability alone did not ensure survival as a large number of firms were now selling products of similar quality.

4. MARKETING CONCEPT : Implies that a firm can achieve its goals by identifying needs of the customer and satisfying them better than the competitors. Customer satisfaction is the precondition for realizing the firm's goal and objectives,

5. SOCIAL MARKETING CONCEPT : Under this concept customer satisfaction is supplemented by social welfare. Some products bring harmful effect on environment so these should not be supplied. It pays attention to the social, ethical and ecological aspects of marketing. Raman, Joginder, John, Iqbal and Shreya are friends. They are operating different business. Each one has his/her own concept regarding operating their business. Raman believes in producing products at a large scale. Thereby decreasing the average cost of the products and selling it's at a reasonable price.