



III. Short Answer Type Questions [4 Marks]

Question 1. What are the features of marketing intermediaries?

Answer:

Following are the features of marketing intermediaries:

- Marketing intermediaries are the organizations or institutions.
- These facilitate the flow of goods and services between the company and its final markets.
- These include resellers, i.e. wholesalers, retailers, agents, and brokers, transporters, warehouses, banks and promoting agencies.
- These facilitate the work of consummating exchanges in the market.
- These bring about transactions between the buyers and sellers.
- These are indispensable part of market.

Question 2. What do you mean by Macro environment?

Answer: Macro environment refers to all forces that are part of the larger society and are the “uncontrollable” to which companies mould itself through setting the “controllable” factors.

Question 3. Why are demographic forces play an? important role in the market?

Answer:

Demographic forces play an important role in the market because of the following reasons:

- They help to divide the population into various market segments.
- They help to divide the population into target markets.

Question 4. Give an example demographic classification.

Answer: Classifying groups of people according to the year they were born. Based on this classification following groups can be made:

1. Baby boomers: Those individuals who are born between 1946 and 1964.
2. Generation X: Those individuals who are born between 1965 and 1976.
3. Generation Y: Those individuals who are born between 1977 and 1994.

Question 5. What do you mean by economic factors?

Answer: Economic factors refer to the purchasing power of potential customers and the ways in which people spend their money. Under conditions of boom, buyer behaviour is different than its behaviour during recession and depression, thus affecting the market.

Question 6. What does technological forces include?

Answer: Technological forces includes various types of technological changes that have taken place in all the fields of the economy. It covers all developments from antibiotics and surgery to nuclear missiles and chemical weapons to automobiles and

credit cards. Advancement of such kind have provided opportunities to new products, new ways of selling, new markets and trends.

Question 7. What does political forces include?

Answer: The political forces is a mix of all laws, government agencies, and groups that influence or limit other organizations and individuals within a given society.

Question 8. Give the features of political forces.

Answer:

The features of political forces are:

1. It include the political environment of the society
2. It comprises of all laws, government agencies, and groups that influence or limit other organizations and individuals.
3. These regulate the market.
4. These varies from place to place and time to time.
5. These determine the fate of companies and markets.
6. These are highly dynamic.

IV. Long Answer Type Questions [6 Marks]

Question 1. Explain the forces of Micro environment or internal environment.

Answer:

Following are the forces of Micro and Internal environment:

1. Producer/Seller: The goals, objectives, policies, strategies, etc. of the organization are the foremost forces which govern the market. Successful companies are those that can recognize and respond profitably to unmet needs and trends in the society. Unmet needs always exist. "PERFORMING SELLERS" sustain and succeed in the market. Catering to social responsibility, if more is the number of producers, harder and healthier would be the competition. Ethics, values, principles, creativity, innovativeness of the seller helps in setting trends for market.
2. Customers: Consumer is the King instead of trying to market what is essential for us to make, we must find out much more about what the consumer is willing to buy. We must apply our creativity more intelligently to people, and their wants and needs, rather than products.
The most influential force which rules the market is the 'Consumer', consumer satisfaction is the foundation stone of a successful business.
Business has to produce goods according to the needs of the customers. But knowing customers is never simple.
3. Competitors: Competitors are such factors in the micro environment that provide similar offerings for goods and services. To remain competitive, an enterprise must consider who their biggest competitors are. With LPG, the level of competition is no more local or national, but international. The company should develop a strategic advantage over their competitors else if it's otherwise the fate of the enterprise is doomed. Edmund Burke believes "An opponent is our helper".
4. Suppliers: Suppliers are another key component in the core system of Market. The company is essentially a resource — conversion machine that converts material, machines, labour and funds into useful products. The necessary resources are obtained from 5 suppliers. How well the company buys depends on how well it grasps the working of the various supply markets and how well it applies business principles in conducting its relations with suppliers. Lack or non-availability of suppliers can ruin the market for a product.
5. Marketing Intermediaries: Marketing intermediaries are

institutions that facilitate the flow of goods and services between the company and its final markets. They include resellers (t.e. wholesalers, retailers, agents, and brokers), transporters, warehouses, banks and promoting agencies. These all institutions come into being to facilitate the work of consummating exchanges in the market. They perform a great deal of work in bringing about transactions between the buyers and sellers, market cannot survive without these intermediaries.

Question 2. What things should be known by the enterprises in order to have an edge in the competition?

Answer:

For the correct assessment following should be known by the enterprises:

- Who are our competitors?
- Level/size of competitors
- The areas of strengths/weaknesses of competitors
- The financial standing of competitors
- Overall image of competitors' products in the market
- Operational capacity of the competitors.

The company should develop a strategic advantage over their competitors else if it's otherwise the fate of the enterprise is doomed.

Question 3. Describe the factors or forces that are the components of Macro environment.

Answer:

Following are the factors that are the main players in the Macro environment:

1. Demographic Forces: Demographic forces refer to features of populations with reference to size, density, location, age, gender, race, and occupation. These features help to divide the population into market segments and target markets. Each classification has its unique and different characteristics and causes.
2. Economic Factors: These refer to the purchasing power of potential customers and also the patterns in which people spend their money. Expenditure pattern of customers is different in different economic situations of the economy.
3. Technological Forces: The technological environment is perhaps one of the fastest changing factors in the macro environment. This includes all developments from antibiotics and surgery to nuclear missiles and chemical weapons to automobiles and credit cards. Advances in technology have provided opportunities to new products, new ways of selling, new markets and new trends.
4. Political Forces: The political environment covers all laws, government agencies, and groups that influence or limit other organizations and individuals within a territory. Market is run and regulated by these laws or restrictions. These are different for various places and varies from time to time. The fate of enterprises and markets depend upon the political conditions of the areas in which they are situated.
5. Natural Factors: These include the natural resources that a company uses as inputs and affects their marketing activities. The concern in this area is the increased pollution, shortages of raw materials and increased governmental intervention. As raw materials become increasingly scarcer, the ability to create a company's product gets much harder. Also, pollution can go as far as negatively affecting a company's reputation if they are known for damaging the environment. The last concern, government intervention can make it increasingly

harder for a company to fulfil their goals as requirements get more stringent.

6. Cultural Forces: The cultural environment, which consists of institutions and basic values and beliefs of a group of people. The values can also be further categorized into core beliefs, which passed on from generation to generation and very difficult to change, and secondary beliefs, which tend to be easier to influence. Market reflects the values of a target audience.

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