



Short Answer Type Questions

1. What is marketing? What functions does it play with process of exchange of goods and services? Explain.

Ans: Marketing is a total system of business activities designed to plan, price, promote and distribute want satisfying goods and services to present and potential customers. Marketing is concerned with exchange of goods and services from producer to consumers which involves many activities.

(i) Gathering and Analysing Market Information:

This is done to identify the needs of the customers and take various decisions for the successful marketing of the products and services.

(ii) Marketing Planning:

Another important activity or area of work of a marketer is to develop appropriate marketing plans, so that the marketing objective of the organisation can be achieved.

(iii) Product Designing and Development:

The design of the product contributes to make the product attractive to the target customers.

A good design can improve performance of a product and also give it a competitive advantage in the market.

(i) Standardisation and Grading:

Standardisation refers to producing goods of predetermined specification which helps in achieving uniformity and consistency in the output which reduces the need for inspection, testing and evaluation of the products.

Grading is the process of classification of products into different groups, on the basis of its features such as quality, size etc. It ensures that goods belong to a particular quality helps in realising higher prices for high quality output.

(ii) Packaging and Labelling:

Packaging refers to designing the package for the products.

Labelling refers to designing the label to be put on the package.

Packaging provides protection to the product and also helps in its promotion. Labelling helps in self service.

(iii) Branding:

Brand names help in creating product differentiations i.e., how the product can be distinguished from its competitors.

(iv) Customer Support Service:

Marketing management relates to developing customer support service such as after sales services, handling customer complaints.

All these aim at provides customer satisfaction which is a key to marketing^success.

(viii) Pricing of Product:

Price is an important factor affecting the success or failure of a product in the market. The marketers have to analyse properly the factors determining the price of a product.

(ix) Promotion:

Promotion of products and services involves informing the customers about the firm's product, its features etc and persuading them to purchase these products. It includes four method advertising, sales promotion, personal selling and publicity.

(x) Physical Distribution:

The important decisions areas under physical distribution include managing inventory, storage, warehousing and transportation of

goods from one place to the other.

(xi) Transportation: Transportation involves physical movement of goods from one place to another. A marketer has to perform this function very efficiently keeping in mind the nature of product, cost, location of target market etc.

(xii) Storage or Warehousing:

In order to maintain smooth flow of products in the market, there is a need for proper storage of the products. Further, there is a need for storage of adequate stock of goods to protect against unavoidable delays in delivery or to meet 'out contingencies in the demand. Wholesalers and retailers are playing an important role.

2. Distinguish between production concept of marketing.

Answer Difference between Product and Production Concept

Basis	Product Concept	Production Concept
Main focus	The focus of the product concept is on quality of the product.	The focus here is on quantity of the product.
Means	It is achieved through continuous improvement in the quality.	It is achieved through increased production leading to lower costs.
Objective	Profit maximisation through quality improvement.	Profit maximisation through increased production.

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

Ans: Yes, product is a bundle of utilities, which is purchased because of its capability to provide satisfaction of certain need. A buyer buys a product or service for what it does or service for what it does for her or the benefits it provides. There can be three types of benefits, it provides to a customer (i) functional benefits (ii) psychological benefits and (iii) social benefits, e.g., the purchase of a motorcycle provides functional utility of transportation, but at the same time satisfies the need for prestige and esteem and provides social benefit by the way of acceptance from a group, by riding it.

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

Ans: Industrial products are those products, which are used as inputs in providing other products e.g., raw material, engines, tools, lubricants etc.

The difference between consumer products and industrial products is based on their ultimate use and nature of purchases.

Basis	Consumer Product	Industrial Product
Buyer	Consumer is the buyer.	Industrial units and the processors are the buyers.
Motive	It is purchased for personal consumption.	It is bought and used for making other products.
Number of buyers	Number of buyers of consumer products is large.	Number of buyers is limited in case of industrial products.

5. Distinguish between convenience product and shopping product.

Answer Difference between Convenience and Shopping Product

Basis	Convenience Product	Shopping Product
Shopping efforts	No or very little efforts are made in purchasing such products.	Considerable time is devoted in purchasing such products.
Cost	These products have low per unit cost.	Unit price of such products is high.
Retail outlets	Number of retailers is large.	Number of retailers is less.
Customer base	There is regular and continuous demand from the same set of customers.	They cater to a large customer base.

6. Products is a mixture of tangible and intangible attributes.

Discuss.

Ans: 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. Beside physical objects, include services, ideas, persons and places in the concept of product. Thus,

product may be defined as anything that can be offered in a market to satisfy a want or need. It is offered for attention, acquisition, use or consumption.

7. Describe the functions of labelling in the marketing of products.

Ans: Label on a product provides detailed information about the product, its contents, methods of use etc. The various functions performed by a label are as follows

(i) Describe the Product and Specify its Contents:

One of the most important functions of labels is that it describes the product, its usage, cautions in use etc and specify its contents.

(ii) Identification of the Product or Brand:

A label helps in identifying the product or brand e.g., we can easily pick our favourite soap from a number of packages only because of its label.

(iii) Grading of Products:

Labels help grading the products into different categories.

Sometimes, marketers assign different grades to indicate features or quality of the product e.g., different type of tea is sold by some brands under Yellow, Red and Green label categories.

(iv) Help in Promotion of Products:

An important function of label is to aid in promotion of the products. A carefully designed label can attract the customer to purchase. So, many labels provide promotional messages, some show discount or other schemes etc.

(v) Providing Information Required by Law: Another important function of labelling is to provide information required by law. e.g., the statutory warning on the package of cigarette or pan masala - 'Smoking is injurious to health' or 'Chewing tobacco causes cancer.'

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

Ans: The term channels of distribution refers the facilitate to the movement of goods and services and their title between the point of production and point of consumption, by performing a variety of marketing activities. Following are the functions performed by the channels of distribution.

(i) Accumulation:

It aims at holding the stock to match between the consumer demand and supply condition, warehousing helps in maintaining continuous flow of goods and services.

(ii) Promotion:

The marketing channels also help in promoting the demand for the product by displaying demonstrating and participating in various promotional activities organised by the producers.

(iii) Negotiating:

The marketing channels are the intermediaries between the producers and the consumers. They attempt to reach final agreement on price and other terms of the offer, so that transfer of ownership is properly affected.

(iv) Risk Taking:

Risk taking is the basic responsibility of the intermediaries. It may arise out of physical deteriorations, changes in price levels, natural calamities, change in fashion etc. These are unavoidable as they hold sufficiently large and variety of inventories till the sale of stock.

(v) Grading/Sorting:

Grading is the process whereby they sort the products on the basis of different sizes, qualities, moisture contents and so on. It helps us realising the time value for the product and at the same time ultimate consumer feels satisfied with the uniform quality of the product.

(vi) Packaging:

The products are packed in the small tradable lots for the convenience of the consumer.

(vii) Assembling/Assortment:

Marketing channels aim at satisfying the needs of the customers. The products desired by the consumer may not be available in the market. They procure such goods from different sources, assemble or assort them as per the requirements of the consumers.

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

Ans: The choice of channels depend on various factors, which are discussed as follows

(i) Product Related Factors: The important product related considerations is deciding the channels. It includes whether the ' product is an industrial product or a consumer product. Industrial product require shorter channel and consumer products require longer channel.

(ii) Company Characteristics:

The important company characteristics affecting the choice of channels of distribution include the financial strength of the company and the degree of control it wants to hold on other channel member. Direct selling involves lot of funds to be invested in fixed assets say starting own retail outlets or engaging large number of sales force. Similarly if the management want to have greater control on the channel number, short channels are used but if the management do not want more control over the middlemen, it can go in for longer channel or large number of intermediaries.

(iii) Competitive Factors:

The choice of channel is also affected by what the competitor has selected as its channel. Sometimes, firm may decide to go for the same channel and sometimes absolutely opposite.

(iv) Market Factors:

Important market factors affecting the choice of channel of distribution include size of market, geographical concentration of potential buyers and quantity purchased.

(v) Environmental Factors:

Sometimes environmental factors also helps in deciding the channel of distribution, e.g., in a depressed economy, marketers use shorter channels to distribute their goods in an economical way

10. Explain briefly the components of physical distribution.

Ans: The main components of physical distribution are as follows'

(i) Order Processing:

If a firm takes more time to process the order, then the consumer remains dissatisfied. Therefore, order processing has to made faster by using information technology.

(ii) Inventory Control:

Inventories ensure the availability of the product as and when consumer demand arises. There are various factors which influence a firm decision regarding the level of inventory e.g., degree of accuracy of sales forecast, cost of blocking of the working capital etc.

(iii) Warehousing:

It refers to the storage of goods from the time of production to the time of consumption. Warehousing is important as it creates time utility.

(iv) Transportation:

It creates place utility. It refers to the carrying of raw materials or finished goods from one place to another. The most important thing to be kept in mind is that the value addition by transportation should be greater than the cost of transportation

11. Define advertising, what are its main features? Explain.

Ans: Advertising is defined as the impersonal form of communication which is paid form by the marketer to promote some goods or services. It is commonly use as the promotional tool of the company. The important features of advertising are as follows:

(i) Paid Form Advertising is a paid form of communication which

means the sponsor has to bear the cost of communication with the prospects.

(ii) Impersonality There is no direct face to face contact between the prospect and advertiser. It is therefore, referred as the impersonal method of promotion.

(iii) Identified Sponsor Advertising is undertaken by some identified individual or company, who makes the advertising efforts and also bears the cost of it.

12. Discuss the role of 'Sales Promotion' as an element of promotion mix.

Ans: Sales promotion includes those marketing activities other than personal selling, advertising and publicity that stimulate consumer purchasing and dealer effectiveness, such as display, shows and exhibitions, demonstrations and various non-current selling efforts not in the ordinary routine. The main objectives of sales promotion activities are:

(i) Creation of demand for the product.

(ii) Educating the consumers about new products or new uses of the old product.

(iii) Building the brand loyalty for the product among the consumers.

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