



CHAPTER – 11

MARKETING MANAGEMENT

Market

It refers to the 'set of potential and actual buyers of a product or service'.

Customer

It refers to the people or organisations that seek satisfaction of their needs and wants. Marketing is not possible without customers or buyers.

Marketer or Seller

The marketer can be a person or organisation who make available the products or services and offer them to the customer with an intention of satisfying the customer with an intention of satisfying the customer needs and wants.

Marketing

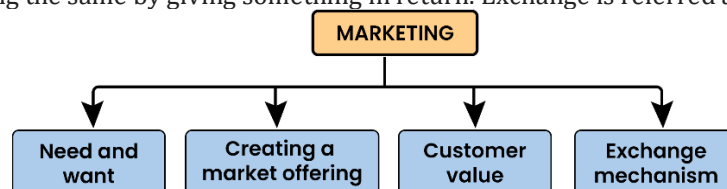
It is a social process by which individuals and groups obtain what they need and want through creating, offering and freely exchanging products and services of value with others.

According to JF Pyle, "Marketing is that phase of business activity through which the human wants are satisfied by the exchange of goods and services."

Features of Marketing

- (i) **Need and want:** The focus of marketing is on identifying and satisfying the needs and wants of individuals and groups. Needs are basic to human beings while wants are potential satisfiers of needs. The job of a marketer is to identify the needs of target customers and offer products and services that satisfies customer needs.
- (ii) **Creating a market offering:** Market offering refers to providing complete information about the product or service e.g. shape, size, availability etc. For example a company may offer 15 varieties of ice creams ranging from ₹5 to ₹500 at its stores in all parts of the country. A good market offer is created after analysing the needs and wants of potential buyers.
- (iii) **Customer value:** While purchasing a product, customer analyses cost and satisfaction derived from it. Customer buys it only when he perceive that it provides him greatest value for money. The job of marketer is to add value to the product or service so that people prefer it more than competitor's product and decide to buy it

- (iv) **Exchange Mechanism:** Marketing involves exchange of goods and services for money and valuable consideration. Exchange refers to the process through which two or more parties come together to obtain the desired product or service from something offering the same by giving something in return. Exchange is referred as to as the essence of marketing.



What can be Marketed?

A product can be defined as a 'bundle of utilities' or source of satisfaction, that can be used for satisfying human needs and wants. A product not only includes physical objects, such as

soap, biscuits, vegetables etc. but also includes other things of value, such as services or ideas, places etc. in the marketing literature, anything that is of value to the other can be marketed.

Example

What can be Marketed?

- (i) **Physical Products:** Bike, Mobile, Shoes, Scooter etc.
- (ii) **Services:** Business Process Outsourcing, Banking, Lawyer, Electrician, Plumber, Doctors, Company Secretary etc.
- (iii) **Ideas:** Swatch Bharat Abhiyan, No Smoking, Blood Donation, Polio Vaccination, Consumer Awareness etc.
- (iv) **Persons:** At elections time, candidates can be marketed and voters are convinced for them.
- (v) **Place:** Tourist Places like Agra- City of Love, Udaipur – The City of Lakes, Mussoorie- The Queen of Hills etc.
- (vi) **Events :** Football World Cup, Common wealth games, Trade Fair, Film Festival, Music concert etc.
- (vii) **Information:** Stock Market Information, Technology Information etc.
- (viii) **Organisation:** Organisation like Reliance, Dabur, Amcure, Cipla, etc. communicate with people to build their image in front of public. For e.g LG says 'Life's Good, Toyota says 'Moving Forward' etc.
- (ix) **Experience:** Riding in Amusement Park, Movies, Bungee Jumping, Lunch with a filmstar etc.

Marketing Management

It means management of all the activities related to marketing or in other words we can say, it refers to planning, organising, directing and controlling the activities which result in exchange of goods and services.

Marketing management involves following activities

- (i) **Choosing a target market:** The process of marketing management starts with choosing the target market, in which the product or service is to be marketed. For eg. A company may make readymade garments for children only.
- (ii) **Growing customers in target market:** After selecting the target market the next step is to create demand for the product or service so that target customers buy the product. The focus is on satisfaction of existing customers as well as adding new customers, so that the firm can grow.
- (iii) **Creating superior value:** The primary job of a marketing manager is to create superior values so that customers are attracted to the products and services and communicate these values to the prospective buyers and persuade them to buy these products.

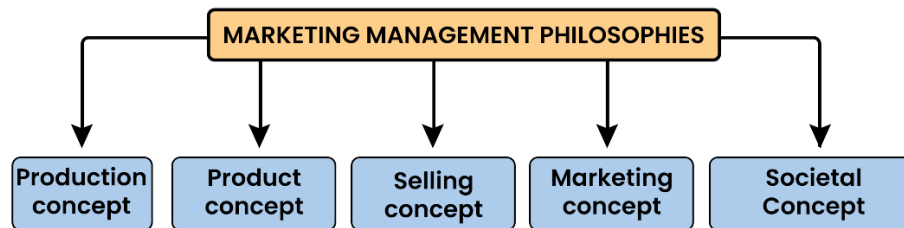
Marketing Management Philosophies

- (i) **Production concept:** This concept is one of the oldest concept in business. This policy emphasises on availability and affordability of product. This philosophy is based on the belief that consumers favours only those products which are widely available at lower prices.
- (ii) **Product concept:** The companies following this philosophy believe that consumers favour those products which offer superior, quality, and performance. Product concept stresses on quality of production rather than quantity of production. Product improvement is considered key to success under product concept. Product Concept suggests that a company should attempt to provide high quality products and improve them over time. The main drawback of this concept is the customers will the product when they will need it.
- (iii) **Selling concept:** Those firms who follow selling concept believe that if customers left alone will normally, not purchase enough of company's products. The company must therefore, undertake a aggressive selling and promotional efforts. Through selling concept the company can make a customer buy something even when the customer has no intention of buying it. Companies who rely on selling concept make use of advertising powers and other persuasion techniques to influence with customers. The motive of companies practising selling concept is to sell what they make instead of make what the market wants. In selling concept, the primary aim of seller is to convert the products into cash by using fair or unfair means. The company following selling concept must know that buyers cannot be manipulated every time. The customer once wrongly convinced can spoil the company reputation. So selling concept can succeed in the short period but not in the long period.
- (iv) **Marketing concept:** According to this concept, customer satisfaction is the key to the success of any organisation in the market. Under marketing concept, the assumption is that in the long run a firm can achieve its objective of maximising profit by identifying and satisfying the needs of present and potential customers better than the competitors. Therefore, customer satisfaction become the focal point of all business decisions. In other words, the product, its features, its price, its distribution system all are to be decided on the basis of what the customers want and prefer.

Thus, the marketing concept is based on the following pillars:

- (a) Identification of target market.
- (b) Understanding needs and wants of customers in the target market.
- (c) Development of products and services for satisfying needs of the target market.
- (d) Satisfying needs of the target market better than the competitors.

- (v) **Societal Marketing Concept:** The marketing concept concentrates only on the needs of the customers and overlooks wider social interest like deforestation, global warming etc. In order to survive and grow, business must serve the interest of stakeholders. Education, Environmental protection, poverty eradication, employment generation etc. are the concerns which organisation can't ignore. The organisations following this concept believes in the overall protection of the society with customer satisfaction. The societal marketing concept is an extension of the marketing concept as customer satisfaction is supplemented by social welfare. This concept pays attention to social, ecological and ethical aspects of marketing.



Functions of Marketing

- (i) **Gathering and analysing market information:** One of the important function of a marketer is to gather or collect and analyse the market information. This is necessary to find out the needs of the customers and to make various decisions for the successful marketing of the products and services. This is important for making an analysis of the available opportunities and threats as well as strengths and weaknesses of the organisation. Marketer tries to understand what customers want to buy and when, in what quantity and what price etc. He also tries to understand the purpose behind this purchase i.e., whether the customer is purchasing the product as a necessity or for style.
- (ii) **Market planning:** After conducting marketing research, the marketer has to plan the steps necessary to achieve marketing objectives under market planning. They make plan to increase, plan to increase sale etc.
- (iii) **Product designing and development:** Every marketer offers a product or service to the customer but what product or service has to be offered must be planned. The planning part includes the decisions like what should be the quality standards used in product, what shape or design would be used, what type of packing, how many models, how it can be made better than the competitor's product etc. For taking all these decisions proper product planning is done by the marketer for example, if marketer is dealing with refrigerator then in product planning they decide the quality standard, size of refrigerators, colour, design, technology of refrigerator, etc.
- (iv) **Standardisation and grading:** Standardisation means maintaining quality standards to achieve uniformity in the product. Standardisation provides quality assurance and consistency to consumers. Consumers are assured about the quality of product, packing etc. Grading means classifying the product on some bases. The bases of classification can be size, quality etc. Grading is necessary when companies are not following strictly the technique of standardisation. Through grading marketer can get higher price for quality product. Grading is generally used in agricultural products for example, wheat, rice, pulses, etc.
- (v) **Packaging and Labelling:** The product is always supplied to customer in the packer form. Packaging refers to designing of packets, wrappers, cartons etc. which are used to pack the product. Packaging is also called silent salesman because packaging induces the customer to buy the product.
- (vi) **Branding:** Branding means giving a special name to the product. Companies may decide to sell the product in company's name or they may decide a special brand name for their products. The brand name must be selected very carefully as the customer's loyalty depends upon the brand name.
- (vii) **Customer support services:** In present day business environment customer is the king pin in the market. So customer satisfaction is the main moto of every businessman. So a very important function of marketing management relates to developing customer support service such as handling customer complaints, after sale services, maintenance services, consumer information, technical services, etc. Customer will become your permanent customer only when he is satisfied with customer support services.
- (viii) **Pricing of products:** Price means the money which a customer has to pay to buy a product or service. It is the most crucial element of marketing as customer is highly price sensitive, a little variation in price may take your customer to competitor's product. Marketer keeps in mind various factors such as objective of firm, demand competition etc.
- (ix) **Promotion and selling:** After production of goods the marketer needs to offer them to customers; for this he performs two basic functions i.e., promotion and selling. Promotion and Selling includes all the activities which are undertaken to communicate with the customer and increase the sale. For promotion marketer performs various functions such as advertising, sales promotion, personal selling, publicity, etc.

- (x) **Physical Distribution:** This is also another feature of marketing manager to make plans regarding distribution of goods and services. Physical Distribution includes like choice of channel of distribution, storage, maintaining warehouses, storage etc.
- (xi) **Transportation:** The goods are not necessarily consumed at the same place where these are produced. There is a place gap between production and consumption. To cover this gap, the marketer makes use of various use of various modes of transport so that goods can be transported to different parts of the country.
- (xii) **Storage and Warehousing:** The goods are not consumed immediately when they are produced. So it

is necessary to keep the goods safe during this time gap as goods are to be protected from moisture, insects, thefts etc. So marketers maintain their own warehouses to store the products or they make use of public warehouses to keep the goods safe and fresh till they are demanded in the market.

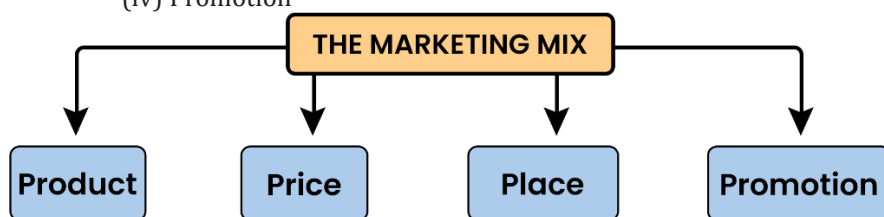
Marketing Mix

The marketing mix refers to the ingredients or the tools or the variable which the marketer mixes in order to interact with a particular market.

According to Philip Kotler, "Marketing mix are the set of – marketing tools that firm uses to pursue its marketing objectives in the target market."

Elements of Marketing Mix

- (i) Product
- (ii) Place
- (iii) Price
- (iv) Promotion



Product

The product element of the marketing mix signifies the tangible or intangible product offered to the customer which satisfies the need. The marketing mix is essence of any marketing endeavour. It is the main building block of marketing efforts of the firm.

Product Mix

The product mix refers to important decisions related to the product such as quality of product, design of product, packing of product, etc. Another important thing included in product mix is product assortment. It refers to number of products and items a particular producer offers to the market. For example, the Hindustan Lever is dealing with soaps, detergents, tea, toothpaste, etc. When a firm starts its marketing operations it starts with one product but later on it expands and diversifies its activities by introducing more varieties of product or more lines of products for example, Redmi made its entry with the mobile phones but slowly it got entered into other lines of products such as Televisions, watches, etc.

(i) Branding

Branding is the process of giving a name or a sign or a symbol etc. to a product. In this decision marketer has to decide whether product will be marketed under generic name or brand name. Generic name refers to the name of whole class of the product for example Toilet soap is a generic name but Domino's is a brand name. Same way laptop is a generic name but Dell, H.P, Asus is brand name.

Important terms related to Branding

- (i) **Brand:** A brand is name, term, name, term, symbol, design of combination of them used to identify the goods or

services of a seller and to differentiate them from those of competitors. Parker, Dettol, Usha, Woodland, Sony are examples of brand.

- (ii) **Brand name:** It is that part of brand which can be spoken easily. In other words, we can say that it is the verbal part of a brand.
- (c) **Brand mark:** It is that part of brand which appears in form of a symbol, design, or distinctive colouring or lettering. It is recognised by sight but not pronounceable. For example Arrow sign of Nike.
- (d) **Trademark:** A brand or part of a brand that is given legal protection is called trademark. The protection is given a against its use by other firms. Thus, the firm, which got its brand registered, get the exclusive right for its use.

Qualities/Features of a good brand name

- (i) Brand name should be short and simple. For example, Lux, Dell, Surf, etc. As long and complicated names are difficult to recognise and remember.
- (ii) Brand names should be easy to pronounce as if it is difficult to pronounce the customer will hesitate to demand for it e.g., product names like Minisoo etc. are difficult to pronounce.
- (iii) Brand name should be suggestive i.e., it must suggest the utility of the product for example, Hajmola suggests digestive property, Ujala suggests brightness, Hair and Care suggests care of hair, Sunsilk suggests hair shine like sun and softness of silk.
- (iv) The brand name should be unique and distinctive. The brand name should be very different and should not lose its identity for example, Ariel, Tide, etc.

- (v) Brand name should be selected after considering its meaning in other languages and cultures for example, the brand name Nova (given to Ambassador car) means 'does not go' in Spanish. Such types of names should be avoided.

Advantages of Branding

- (i) **Helps in product differentiation:** With branding marketer can differentiate his products from the competitors product.
- (ii) **Helps in advertising:** With the brand name advertising become more effective as it not only makes people aware about the features of product but also about brand which can provide these benefits.
- (iii) **Differential pricing:** With established brand name the firm can easily change high price for its product as compared to competitor's product.
- (iv) **Easy introduction of new product:** The companies which use their company's name as brand name then it becomes very easy for such company to popularize the new product it is planning to introduce.

Advantages to Customers

- (i) **Helps in identification of product:** Branding helps the customers to select the products easily as the brand which is giving them satisfaction can be selected easily over the competitor product.
- (ii) **Ensures quality:** Brand name gives quality assurance and customers can buy branded goods with no doubts about qualities of product.
- (iii) **Status symbol:** Use of branded goods adds to status symbol of customers and adds to their confidence level.

Packaging

It can be defined as a set of tasks or activities which are concerned with designing, production of an appropriate wrapper, container or bag for the product. For eg. Pepsi comes in Bottle, Biscuits in wrapper etc.

(i) Level of Packaging

There are three levels of packaging

- (a) **Primary packaging:** It refers to product's immediate packing, e.g, toothpaste tube. In some cases, the primary packaging remains till the consumer is ready to use the product like package of bathing soap etc.



- (b) **Secondary packaging:** It is an additional package, which provides an additional layer of protection to the product. For example, cardboard box for toothpaste. The secondary package is generally thrown when the consumer begins to use the product.



- (c) **Transportation packaging:** It refers to further packaging which is used to protect the goods in the process of storage and transportation. For eg. Corrugated boxes are used to transport Uncle Chips, Bingo, Lays etc.

Features of Packaging

- (i) **Protection:** The fundamental function of packaging is that it protects the goods from damage. Appropriate packaging prevents the product from moisture, breakage, insects, etc., for example, Airtight containers and packets are used for Chips, Biscuits, Jams, Cola, etc. which need protection from atmospheric contacts. Products like television or other appliances need to be protected from damage in transit so they are packed in big board cartons, etc.
- (ii) **Identification:** With the help of packaging the product can be easily identified for example, with the yellow and black packing and alphabet K we can recognise from far off that it is a Kodak product, of red colour and unique shape of coke bottle we can identify it from distances also.
- (iii) **Convenience:** The handling of the product becomes more convenient with appropriate packing. It makes it convenient to store and convenient to shift from one place to other for example, new pet bottles of cold drink has made it very convenient for middle men to transport it, supply it and store it.
- (iv) **Promotion:** Packaging plays a role of silent salesman because it promotes or enhances the sale of the product. The attractive colourful and innovative packing attracts the customers specially if the product is children's product. Attractive packing always induces the customers to buy the product.
- (v) **Rising standard of health and sanitation:** Packing has become essential because of rising standard of health and sanitation. In a packed good there are less chances of contamination of products. People prefer packed products over loose as there are less chances of adulteration in packed product.
- (vi) **Self-service outlets:** The self-services outlets are becoming very popular. In these stores generally products with attractive packing are picked by buyers more quickly.
- (vii) **Product differentiation:** Packing help the customers to differentiate between goods on the basis of quality as with the type of packing customer can guess about the quality of goods.
- (viii) **Innovational opportunities:** Recent developments in packaging have completely changed the marketing. For example new packing in soft drinks, chips, biscuits keep them fresh for a longer period. Even milk can be stored for 3-5 days without refrigeration. Scope of marketing is increasing with new innovations in packaging.

Labelling

It means putting identification marks on the package. A label is an important feature of the product as it provides useful information about the product and its manufacturer. A label may be part of the package or may be a tag attached directly to the product. It is used to provide detailed information like name of the product, name and address of the manufacturer, contents of the product, weight and measurement of the product, manufacturing and expiry date etc.

Functions of Labelling

- (i) **Describe the product and specify its contents:** The manufacturer cannot communicate to each and every customer personally so if he wants to communicate and share some information about the product with the customer it is done through labels. The manufacturer prints all the information related to product such as the contents, price, instruction to use, etc.
- (ii) **Identify the product:** The label helps the customers to identify the product from the various types available for example, we can easily identify a Cadbury chocolate from the various chocolates kept in the shelf of a shop by the colour of its label.
- (iii) **Help in grading:** With the help of label products can be graded in different categories for example, Brooke Bond Red Label, Brooke Bond Yellow Label, Green Label, etc.
- (iv) **Promote sales:** Attractive and colourful labels excite customer and induce him to buy the product. Specially in consumer goods attractive labels increase sales volume.
- (v) **Providing information required by law/legal requirement-** The label is also used to fulfil the legal requirement as it is legal compulsion to print batch no., Contents, max. retail price, weight or volume on all the products. On some products giving statutory warning is also a legal compulsion and these legal requirements are fulfilled through label.

Price

Price is the value which a buyer passes on to the seller in lieu of the product or service provided. Price is the crucial element of marketing because customer is very sensitive to this element. Little variation in price may shift your customer to competitor's product. Price affects the revenue and profits of the firm. Due to all these reasons, determination of price is the most crucial decisions for most of the marketing firms.

Price Mix

It refers to important decisions related to fixing the price of a commodity. These decisions include setting the price objectives, determining the pricing objectives, determination of price, changing the price, price of competitor's product, level of demand etc.

Factors Affecting Price Determination

- (i) **Pricing objectives:** Price of a product is influenced by the pricing objectives of a firm. Generally, the objectives of the firm is profit maximisation. If the firm decides to maximise profits in the short run, it will charge maximum price for its products. However, if the firm wants to maximise its total profits in the long run, it will

charge lower per unit price to capture the larger share of market and earn high profits through increased sales.

Apart from profit maximisation, the pricing objectives of a firm may include:

- (a) **Obtaining Market Share Leadership:** If the firm's objective is to obtain larger market price, it will keep the price of its products at lower levels so that large number of people are attracted to buy the products.
- (b) **Surviving in Competitive Market:** If a firm is facing difficulties to survive in the market because of intense competition, then it may resort to offer discounts on its products or may use promotional method to clear its stock.
- (c) **Attaining Product Quality Leadership:** If a company aims to attain leadership in product quality, then it normally charges higher prices to higher quality and heavy expenditures on research and development.
- (ii) **Product cost:** Product cost is one of the most important factor affecting the price of the product. It includes the total cost of producing, distributing and selling the product. Total cost include three types of cost- fixed costs, variable costs and semi-variable costs. Fixed costs are those costs which remain fixed at all level of production or sales. Variable costs are those which vary directly with output like cost of raw materials, payment of wages etc. Semi variable costs refer to the costs which vary with the level of output, but not in direct proportion, like salary plus commission on sales. Generally all companies set a price, which covers the total cost and reasonable profit. However, at the time of introducing a new product or while entering a new market, products can be sold at a price, which does not cover all the costs. But in long run, a firm can survive only when all its costs are covered including a margin of profit over and above the costs.
- (iii) **Extent of competition in the market:** This is one of the important factor while fixing the price of a product. If the firm does not face any competition, it can enjoy complete freedom in fixing its price. However in case of intense competition, the firm has to consider the price, quality and features of competitor's products.
- (iv) **Customer's demand and utility:** Before fixing the price of a product, firm must consider utility provided by the product. If the product is offering higher utility, then firm can easily charge higher prices. However, in case of less utility products, low prices are fixed.
- (v) **Government and legal regulation:** In order to protect public interest against unfair practices, government intervene and regulate the price. Government can declare a product and regulate its price. The common essential products are medicines, petrol, sugar etc. A company should not charge unfairly higher price, otherwise it would government action.
- (vi) **Marketing methods used:** Price determination is also affected by various marketing methods used like distribution system, quality of salesman employed, degree of advertising, sales promotional efforts etc.

Place/Physical Distribution

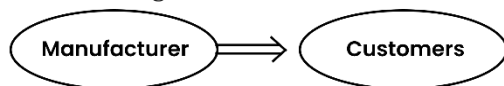
Place refers to the set of decisions that need to be taken in order to make the product available at the right place, in right quantity and at the right time, so that consumers can purchase the same.

Place Mix

It refers to important decisions related to physical distribution of goods and services. These decisions are deciding the channel of distribution, market for distribution. The intermediaries help to cover a large geographical area and bring efficiency in distribution, including transportation, storage and negotiation. And they also bring convenience to customers as they make various items available at one store and also serve as authentic source of market information as they are in direct contact with the customer.

Types of Distribution Levels

- (i) **Zero Level Channel/Direct Channel:** Direct Channel means the arrangement wherein the goods are made directly available by the manufacturers to consumers without involving any intermediary e.g internet selling, mail order selling etc.



Methods of Direct Selling

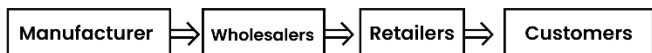
- (a) Selling goods through own retail outlets (like Dominos)
- (b) Door to door selling (like Amway and Tupperware)
- (c) Mail order selling (like sale of books, medicines)
- (d) Internet selling (like sale of health products)
- (e) Telemarketing (like Asian Sky Shop)

(ii) Indirect Channel

- (a) **One Level Channel:** Under this channel, manufacturer employs one intermediary (retailer). Manufacturer sells the goods to one or more retailers who then sell these goods to the ultimate consumers. This channel relieves the manufacturer from burden of selling and at the same time provides him control over distribution. Automobiles, shoes and perishable products are often sold through this channel.



- (b) **Two Level Channel:** This is most common channel for distribution of consumer goods like soap, rice, tea, ghee, clothes etc. Here, two middlemen are involved, namely, wholesaler and retailer. The manufacturer sells goods in bulk to wholesaler, who sells in small lots of retailers, who then supply these to the consumers.



- (c) **Three Level Channel:** This is the longest channel of distribution. This channel consists of three intermediaries (agent, wholesaler and retailer) through whom manufacturer sells goods to consumers. Under this channel, manufacturer uses the service of an agent

for the initial distribution of goods. The agent in turn, supply to wholesalers, who in turn sell to retailers and in the end retailers sell to the consumers. This channel is used when the manufacturer has a limited product line and want to cover a wide market.



Factors Determining Choice of a Channel

(i) Product-related factors

- (a) **Nature of Product:** In case of industrial products like MRI machines, direct or short channels may be used as they are costly and are made to order and purchase by few buyers. For consumer products, long channels are preferred as these products are usually standardised, less expensive, less bulky, not technical and frequently purchased products.
- (b) **Perishability:** Perishable products like fruits, vegetables, bakery items, etc. are best sold through short channels while non-perishable products like soap, shampoo etc. require longer channels to reach widespread consumers.
- (c) **Product Complexity:** In case of products requiring technical advice or guidance like engineering products, shorter channels may be preferred. However, simple or non-complex products can be sold through long channels.
- (d) **Unit Value of Product:** In case of products having low unit value like cosmetics, soaps etc. long channels are preferred. On the other hand, when products are to be distributed which are expensive (e.g diamond ornaments), shorter channels are preferred.

(ii) Company's Characteristics

- (a) **Financial Strength:** Direct selling involves huge funds to be invested in fixed assets, say, for starting own retail outlets or engaging large number of sales persons. On the other hand, indirect selling through middlemen does not involve a huge amount of funds. So if a company has large amount of funds, it can go for direct distribution. But if huge funds are not available, then shorter channels may be used.
- (b) **Competitive Factors:** The choice of channel is also affected by competitors in the same industry.

(iii) Market-related factors

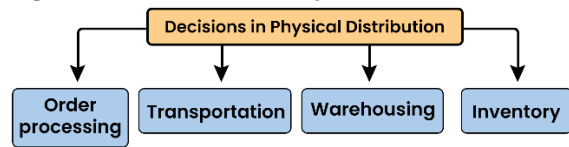
- (a) **Size of Market:** In case of number of buyers is small short channels may be used (like engineering machines). On the other hand, if the number of buyers is large long channels may be used (like sugar, salt).
- (b) **Geographical Concentration:** If the buyers are concentrated in a limited area, short channels may be used. On the other hand, if the buyers are widely scattered over a large geographical area, long channels can be used.
- (c) **Size of Order:** If the size of the order is small, as in case of most consumer goods, long channels are preferred. But if the size of order is large, short channels may be used.

- (iv) **Environmental factors:** Other important factors affecting the choice of channel of distribution include environmental factors such as economic condition and legal constraints.

Components of Physical Distribution

- (i) **Order Processing:** Order processing means the time and steps involved between taking order from customer and delivery of goods as per order. Generally, order processing includes steps like order placement to salesman, order transmission by salesman to company, credit chart of customer by company, inventory and production schedule situation check by the company, delivery of goods to consumer etc. There is direct relation between the time taken in order processing and satisfaction of customer. Fast order processing gives more satisfaction to customer but this involves cost of maintaining sufficient inventory, etc. Companies are now looking forward for information technology based system of order processing to make it fast and satisfy its customers.
- (ii) **Transportation:** Transportation means physical movement of goods from place of production to place where they are required. Transportation adds value to the goods by moving them to place where these are required for example, tea plantation is done in Darjeeling, Gangtok, Assam etc. but these are transported all over the country and the value of tea is much higher in other parts of country as compared to the place of production. So transportation adds value to product but transportation involves cost so it must be seen that the value added to product by transportation must be higher than the cost of transportation. There are various means of transportation available i.e., Rail, Road, Air, Pipeline, Water transport etc. Each mode has its own advantages and disadvantages. These modes are evaluated and compared on the basis of speed, frequency, flexibility, cost, availability etc. and the best suited mode is selected by the company.
- (iii) **Warehousing:** Whatever is produced is not sold off immediately. Therefore every company needs to store the finished goods until they are sold in the market. Storage of goods is necessary because some goods like crops are seasonal in production but are demanded throughout the year so these have to be stored for supplying throughout the year. Some goods are produced throughout the year but are demanded in particular season only. These are also stored during off season till the demand comes for example, Summer clothes, Electric Heaters etc. Maintaining stock in warehousing involves cost whether company has its own warehouse or used hired one. So firm must compare the cost involved in using warehouses and benefits which company gets and try to create a balance between both.
- (iv) **Inventory:** Inventory refers to maintenance of stock of goods. The inventory needs to be maintained so that goods can be supplied whenever demanded. The proper inventory maintenance ensures product

availability. But inventory also involves costs. These include cost of capital blocked in and risk of price fluctuation. The firm must weigh the benefits of inventory and the cost involved and accordingly the optimum level of inventory should be maintained.



Factors which help in determining level of inventory are:

- (i) **Firm's policy on customer service:** If firm has a policy of offering high level customer service then they keep large stock. So that there is no delay in supply of goods.
- (ii) **Degree of accuracy of sales forecast:** If sales forecast is done accurately then the inventory is maintained at minimum level. But if sales forecasts are not available, then large stock is required to meet unexpected demand
- (iii) **Responsiveness of distribution system:** If to meet additional demand producer requires more time then high level of inventory is maintained. However if additional demand can be met in less time then need for inventory will also be low.
- (iv) **Cost of inventory:** Cost of inventory includes warehouse charges, tie up capital, manufacturing costs etc. If cost is more, then low inventory is maintained but if cost of inventory is low then high inventory can be maintained.

Promotion Mix

It refers to all the decisions related to promotion of sales of products and services.

Following are the tools or elements of promotion. They are also called elements of promotion mix. Promotion refers to the process of informing target customers about the products and services of the firm, their features, uses, prices, etc. and persuading them to buy it.

Elements of Promotion Mix

- (i) **Advertising:** Advertising is the most common tool of promotion. The most common modes of advertising are 'newspapers', 'magazines', 'television' and 'radio'.

Advertising refers to any paid form of impersonal presentation and promotion of goods, services or ideas identified by an identified sponsor (marketer). It involves dissemination of information, about a product, service, idea, or organisation, to induce people to take actions beneficial to the advertiser. The message which is disseminated is known as advertisement.

The above definition reveals the flowing features of advertising:

- (a) **Paid Form:** Advertising is a paid form of communication. The advertiser has to pay to the advertising media used for the space or time used to communicate the message to the prospective buyers.
- (b) **Impersonality:** Advertising is an impersonal tool of promotion as no-face-to face contact is

involved between the advertiser and customers. It creates a monologue (one sided communication).

- (c) **Identified Sponsor:** Advertising is issued by an identified sponsor, e.g., producer or trader. The name or identity of the advertiser is disclosed in the advertisement.

Features of advertising and advantages/merits of advertisement:

- (i) **Reach:** Advertising can reach a large market. As through various media of advertising there is benefit of mass reach for example, any message given on All India Radio or TV can reach in different corners of the country wherever TV and Radio network is available. So it is one of biggest advantage of advertisement.
- (ii) **Choice:** There is wide variety of media available for advertising for video, audio, visual audio, print media etc. Under each category large variety is available for example, in print media we can select from magazines, newspaper, banners etc. This variety or choice helps the marketer to select the media, keeping in mind the target customer.
- (iii) **Legitimacy:** In advertisement the messages regarding the product or service are given publicly to customers so there is always a proof for it and customers believe that publicly the company will not give false information of the product. The customer feels comfortable to buy a product which is widely advertised.
- (iv) **Expressiveness:** Advertising provides enough opportunities to marketers to dramatise the message with the help of drawings, colours, pictures, music, dance etc. They can easily express the use of product through various techniques, and can add multimedia effect also.
- (v) **Economy:** It is always felt that advertising increases the cost of product or service but advertising is considered economical as compared to other promotional techniques because it reaches masses and if we calculate cost per customer it is very low or nominal.
- (vi) **Enhancing customer satisfaction and confidence:** Customer feel more assured about quality and feel more comfortable if sponsors claim these benefits in advertising.

Objections to Advertising

- (i) **Adds to cost:** It is said that advertising increases the price of the product. Companies spend huge amount of money on advertising and these expenses are added to the cost and consumer has to pay higher price for the product. This objection is not correct with advertisements the demand for product increases, which brings increase in sales and this leads to increase in production. With increase in production of per unit of product gets decreases which reduced the cost of production and thus, the increase in cost due to expenses on advertisements gets compensated.

- (ii) **Undermines social values:** Advertising multiplies the need of the people and tempts them to buy those products which do not require. Knowledge about new products makes them dissatisfied with their present standard of living. It induces them to buy latest products. For e.g a person having normal keypad mobile may be induced to buy Smartphone. As advertising leads to discontent among people, it is often said that advertising undermines social values.

- (iii) **Confuses the buyers:** The consumers get confused when they are exposed to so many advertisements in different media. For example, ten advertisements of different mobiles like Redmi, Realme, Samsung, Lava etc. each claiming that it each offer better features than other than competitor's price. Such similar claims confuse the buyer and it becomes difficult for buyer to take a buying decision.

- (iv) **Encourages sale of inferior products:** The advertisements show all types of products irrespective of their quality. Through advertisement anything can be sold in the market. The objection of sale of inferior goods is not true because inferiority depends on person's economic status. Everyone cannot afford to buy superior quality costly products but it does not mean they should not use the product. The lower income group people satisfy their needs with low cost inferior goods. For example financial position of a poor person does not allow him to buy mobile phone of Apple and he has to rely on brands with cheaper prices. So, it is not advertisements which encourages sale of inferior products, it is one's financial position which decides this.

- (v) **Some advertisements are not appealing:** Another objection against advertising is that some advertisements are in bad taste. Many advertisements contains seminude photographs and objectionable words in order to attract customers. For example women running after a man because he is using a particular perfume. Although some advertisements are bad in taste, but it cannot be an objection against advertising. Whether an advertisement is in good or bad taste is a matter of personal opinion. With change in time, what was not accepted ten years ago may be acceptable today. Moreover, it is duty of the government to ensure acceptable ethical standards in advertising.

Personal Selling

In simple words, personal selling means selling personally. Personal selling involves oral presentation of message in the form of conversation with one or more prospective customers for the purpose of making sales.

Features of Personal Selling

- (i) **Personal interaction:** In personal selling the buyers and sellers have face to face interaction. This closeness

allows both the parties to observe each other's action closely.

- (ii) **Two-way communication:** In personal selling the sellers give information about the product, at the same time the buyer get a chance to clarify his doubts. It is suitable for sale of complex products where buyer wants to interact with the manufacturer.
- (iii) **Better response:** When seller is personally explaining the utilities of product to the customers then customer do pay some attention and listen to the information.
- (iv) **Relationship:** When the seller and buyer come together this may improve relation between the customer and seller. Salespersons normally make friendly relations with the customers.
- (v) **Better convincing:** Personal selling is most effective form of promotion because with this the sales person can convince the buyer by demonstrating the use of product and making changes in the product according to the need of customer.

Qualities of a Good Salesman

- (v) **Patience:** The salesman should not get provoked even under worst conditions. He should have adequate patience to listen to customers and clear the queries.

| S.No. | Point of Difference | Advertising | Personal Selling |
|-------|--------------------------|---|--|
| 1. | Form | It is an impersonal form of communication. | It is an personal form of communication. |
| 2. | Flexibility | Less flexible as standardised messages are used. | Flexible messages can be changed according to the type of customers. |
| 3. | Reach | It reaches masses. | Only limited number of customers can be contacted. |
| 4. | Cost | Cost per person is less as at it covers large number of people. | Cost per person is high as at a time limited members can be contacted. |
| 5. | Coverage | Covers market in short time. | Takes long time to cover market. |
| 6. | Use of mass media | Makes use of mass media such as T.V., Radio, Newspaper. | Do not make use of mass media. |
| 7. | Feedback | No direct feedback can be obtained. | Direct feedback can be collected by salesman. |
| 8. | Useful for | More useful for standardised and customer products. | More useful for industrial and customerised products. |

Sales Promotion

Sales promotion refers to short term use of incentives or other promotional activities that stimulate the customer to buy the product. Sales promotion techniques are very useful because they bring:

- (a) Short and immediate effect on sale.
- (b) Stock clearance is possible with sales promotion.
- (c) Sales promotion techniques induce customers as well as distribution channels.
- (d) Sales promotion techniques help to win over the competitor.

- (i) **Physical Qualities:** A salesman must have sound health and pleasing personality. He should be free from disease and disability of all types. A pleasing and charming personality boosts self confidence. Good grooming, appropriate dress, neat appearance and a good impression of the customers.
- (ii) **Mental Qualities:** A good salesman must possess certain mental qualities such as imagination, foresightedness, presence of mind and initiative. A salesman who is intelligent enough to understand the nature of the prospective buyers and perceive their requirements is most likely to be successful.
- (iii) **Social Qualities:** A salesman should have ability to mix with people of all types. The practice of greeting and thanking customers, using polite expression for success in personal selling. He should not be shy and reserved but not an extrovert and a good listener.
- (iv) **Communication Skills:** A salesman should have good communication skill. He should be able to speak freely, clearly and in well-pitched voice. He should have the ability to answer questions and overcome objections.

Sales Promotion Techniques for Customers

- (i) **Rebate:** It means offering products at special prices, to clear off the excessive inventory. For example, offer of Hyundai to sell Santro Car at ₹50,000 discount, in the month of March.
- (ii) **Discount:** It means offering products at less than the list price. Certain percentage of price is reduced as discount. For example, Adda 247 offering discounts upto 45% on their courses.
- (iii) **Refunds-** It refers to refunding a part of price paid by customer on some proof of purchase. It is commonly used by food companies to boost the sales. A shampoo

manufacturer may offer to refund ₹3 on returning the empty bottle of shampoo.

- (iv) **Product combination:** It refers to giving another product as gift along with the purchase of a product. Free bucket with new Television.
- (v) **Quantity gift :** It means offering some extra quantity of the product as a gift to the customer. 1 Cold drink Bottle free with 3 Cold drink bottle.
- (vi) **Instant draws and assigned gift:** Under this method, customer is offered schemes like scratch a card to win instant gifts on purchase of a product.
- (vii) **Lucky draw:** Under this method, customer is given a coupon bearing distinct number on purchase of a product and the lucky winners are decided by draw of lots.
- (viii) **Usable benefit:** On purchasing products, some usable benefits are given to customers. For e.g A France holiday package for purchase of goods worth ₹1 crores.
- (ix) **Full finance @ 0%:** Under this method, product is sold on installment basis at zero percent rate of interest. For example, payment of ₹1,00,000 for a scooty can be paid as ₹40,000 and balance in 20 installments of ₹3,000 each.
- (x) **Sampling:** Under this method, many business enterprises distribute free sample of their product to selected consumers in order to popularise the products. Distribution of samples is generally used for products for products of daily use. For e.g Medical representatives gives sample of medicines to doctors.
- (xi) **Contents:** There may be consumer's contest, salesman contest and dealer's contest. Consumers are required to write a slogan on the product. It provides new ideas for advertising the product. Contests for dealers and salesman are also held to induce them to increase the sale of the product.

Public Relations

Apart from four major elements of marketing mix, another important tool of marketing is maintaining Public Relations. In simple words, public relations means maintaining public relations with public. By maintaining public relations, companies create goodwill. Public relations evaluate public attitudes, identify the policies and procedures of an organisation with the public interest to earn public understanding and acceptance. Public does not mean only customers, but it includes shareholders, suppliers, intermediaries, customers etc. The firm's success and achievement depends upon the support of these parties for example, firm needs active support of middle men to survive in market, it must have good relations with existing shareholders who provide capital. The consumers' group is the most important part of public as success of business depends upon the support and demand of customers only.

Ways/Methods and Tools of Public Relations

The companies can use the following tools to improve their relations with public:

- (i) **News:** Sometimes companies get involved in such kind of activities or make such policies so that they get some positive coverage in news. For example, a company's name may be covered in news for reservation of jobs for women or for introducing new technology, etc.
- (ii) **Speeches:** The speeches given by the leaders of corporate sectors influence various members of public specially banks, shareholders etc. Public relations department creates occasion when the speeches are delivered by the leader of company.
- (iii) **Events:** Events refer to organising press conferences, multimedia presentation, matches, stage shows etc.
- (iv) **Written materials:** Sometimes written materials such as Balance Sheet, Annual Reports, Special documents, Brochures, etc., are circulated to various parties to improve and maintain public image of the company.
- (v) **Public service activities:** Big business houses often associate themselves with various social service projects such as women welfare programmes, charity shows, up-keeping of parks, planting trees on road side, training schools, running schools, colleges, hospitals, etc..

QUESTIONS FOR PRACTICE

MCQ

- Q1.** Hindustan Unilever Ltd (HUL) differentiates its three types of tea with three different coloured labels (Green, Red and Yellow). Which function of labelling is highlighted here?
(a) Describe the Product
(b) Identification of Product
(c) Grading of Products
(d) Helps in Promotion of Products
- Q2.** Kalash Dairy Products Ltd. is a successful business of making milk. They decided to put a hologram seal on the packet to ensure that product is not tampered with. Which decision is taken here?
(a) Labelling (b) Branding
(c) Standardising (d) Packaging
- Q3.** In one of its labels, Navrattan Hair Oil had printed "Baalon mei dum, life mei fun" as a message. Which function of labelling is discussed here?
(a) Describe the product and specify its contents
(b) Identification of product or brand
(c) Helps in promotion of products
(d) All of the above
- Q4.** Fitgo Company is adopting a promotional tool, which plays a persuasive, service and informational role thereby link a business firm to its customers. Identify this promotional tool.
(a) Sales promotion (b) Personal selling
(c) Public relations (d) Advertising
- Q5.** Harish bought bottle of wine after seeing it being displayed in the liquor store. The wine bottle is packet in a cardboard box. The bottles were received by the liquor store seller from the whole seller in corrugated boxes containing 30 units. Identify the level of packaging involved in the above mentioned case.
(a) Primary packaging
(b) Secondary packaging
(c) Transportation packaging
(d) All of the above
- Q6.** Philippines aero group PAL Holdings announced discounted fares, starting as low as ₹1,599 for domestic destinations operated by its Indian joint venture carrier and ₹2,599 for international flights operated by other group airlines under a limited period offer. Suggest the medium of communication, which can be used by the firm to inform a large number of people about the new fares.
(a) Personal selling
(b) Sales promotion
(c) Advertising
(d) Public relations
- Q7.** Ishita was suffering from hair loss problem. She wanted hair oil which would help her with this problem. She went to a departmental store and picked up Sun's hair grow oil with a tagline 'Bhulo balon ka Girna'. Then she read the price, read the instructions for use, its expiry date and other details. Identify the elements of product mix performed by oil selling company.
(a) Advertising
(b) Labelling
(c) Promotion
(d) Packaging
- Q8.** 'Visit Udaipur-The City of Lakes' is an advertisement of a travel agency. What is being marketed here?
(a) Product
(b) Experience
(c) Service
(d) Place
- Q9.** As soon as CocaCola reduced its selling price on 2 ltr to ₹75, soon Pepsi followed with a price reduction in its selling price and priced its 2 ltr per bottle at ₹74.50. Which factor of pricing is being discussed here?
(a) The utility and demand
(b) Extent of competition in the market
(c) Marketing methods used
(d) Pricing objectives
- Q10.** Utility and demand is an important factor for determining price of a commodity. If the demand is elastic, price should be set at alevel and if the demand is less elastic or inelastic price can be set at a level.
(a) higher, lower
(b) lower, higher
(c) lower, minimum
(d) minimum, lower
- Q11.** Abhinav Mehta, Marketing Manager of Roop Cosmetics, is facing the problem of poor sales. What mode of communication he can adopt to target the large population?
(a) Newspaper
(b) Television
(c) Radio
(d) All of these
- Q12.** When Sarita opened the door on hearing the doorbell, a person was standing who was selling Britannica world 'encyclopedia'. Here, Britannica is using which element of promotion mix?
(a) Public relation
(b) Sales promotion
(c) Advertising
(d) Personal selling
- Q13.** Which of the following is the function of marketing?
(a) Gathering and analysing market information
(b) Marketing planning
(c) Standardisation and grading
(d) All of the above

- Q14.** Mr Raj wants to buy a LCD for his family. When he visited Anand Electronics to make the purchase, he got confused. Which promotional tool brought him to the shop and which promotional tool is required now to remove his confusion?
- Advertising, personal selling
 - Personal selling, advertising
 - Sales promotion, advertising
 - Public relations, advertising
- Q15.** Which of the following statements is not correct?
- In zero level channel, goods are directly made available to consumers from manufacturers
 - In one level channel, goods are made available from manufacturers to retailers and then to customers
 - In two level channel, goods are made available from manufacturer to agent and then to retailers
 - None of the above
- Q16.** Samsung is a leading manufacturer of electronic goods across the globe. It is planning to introduce a high end smart TV in the asian markets and is anticipating moderate demand for it. Based on these assumptions, it fixed the price of TV @ ₹70,000 per TV. Which of the following factors affected the price of the TV?
- Utility and demand
 - Product cost
 - Extent of competition in the market
 - None of the above
- Q17.** If the management of a company, wants to exercise highest level of control over the distribution of its products, which of the following channels of distribution would be preferred by it?
- Zero level channel
 - One level channel
 - Two level channel
 - Three level channel

Questions 18–19 contain two statements— Assertion (A) and Reason (R). Each question has FOUR choices (a), (b), (c), (d), only one of which is correct.

In the light of these statements, choose the most appropriate option:

- (A) is incorrect but (R) is correct.
- (A) is correct but (R) is incorrect.
- Both (A) and (R) are correct and (R) is the correct explanation of (A)
- Both (A) and (R) are correct but (R) is not the correct explanation of (A).

Q18. Assertion (A): Market is a place where buyers and seller meet and conduct buying and selling activities.

Reason (R): Marketing includes identification of a product, determining demand, deciding on its price and selection distribution channels.

Q19. Assertion (A): An organization must have the marketing decisions keeping in mind the customer, organizational goals and above all the long-term interests of the society.

Reason (R): Societal marketing is based on the principle of social welfare.

Q20. Which of the following refers to that process of assigning a distinctive name or symbol to a product, by which it can be known, remembered and identified?

- Trademark
- Product mix
- Branding
- Packaging

SUBJECTIVE QUESTIONS

- Q1.** Maruti Udyog, a car manufacturing Co., has started its business with Udyog 800 and slowly launched Maruti-1000, Wagon-Z, Swy-fy etc. and offered various services like after sale service, availability of spare parts etc. Identify the element of marketing mix referred here.
- Q2.** Geeta found a worm crawling out of newly opened tetra pack of a juice manufactured by a reputed company, Drink Ltd.. She went back to the shopkeeper from whom the pack was purchased who directed her to call up the customer care centre. When all her efforts failed, she went to a consumer activist group to seek help. The group decided to help Geeta and take measures to impose restrictions on the sale of the firm's products of the particular batch and urge customers to refrain from buying the products of the company. Drink Ltd. lost its image in the market. The CEO gives the responsibility of bringing back the lost image of the company to a Manager.
- Identify the concept of Marketing Management which will help the manager getting the firm out of the above crisis.
 - Also explain the role of above identified concept by stating any two points.
- Q3.** Safe Living Ltd. manufactures mosquito repellent tablets. These tablets are packed in strips of 12 tablets each. Each of these strips are packed in a cardboard box, 48 such boxes are then placed in a big corrugated box and delivered to various retailers for sale. State the purpose of packaging the tablets in a corrugated box.
- Q4.** Shyam bought a pain relieving ointment after seeing it being displayed in the chemist's shop. The ointment tube was packed in a cardboard box. Identify the different levels of packaging of the pain relieving medicine, when it was purchased by Shyam. Also state the functions of packaging.
- Q5.** A tube of shaving cream is always offered in cardboard box. Name the type of packaging used in this case.
- Q6.** One manufacturer of electronic product produces such products which need special care while using it. But the company has not given the instructions to consumers. If you were the manager of the company what steps you would take?

Q7. Vijay was appointed as a marketing head of Alfa Enterprise manufactures of toothpaste and tooth brushes. His target sale was 1,00,000 units a month. Apart from thinking about various channels of distribution to achieve the target, he himself started visiting schools in backward areas. He found that even after taking various steps and counselling some school children had not started brushing their teeth. He investigated and found that they could not afford to buy toothbrush and toothpaste. So with due permission the started donating 200 toothbrush and toothpaste to schools.

Identify the channels of distribution Ajay would adapt for distribution of toothbrush and toothpaste, justify by giving reasons.

Q8. Which marketing philosophy gives more importance to 'consumer welfare' instead of consumer satisfaction?

Q9. 'Various tools of communication are used by the marketers to promote their products.'

- (i) Why do companies use all tools at the same time?
- (ii) Name and explain the most commonly used non-personal tool of promotion which is paid for by the marketer.
- (iii) Which tool of promotion will primarily be used for the following?
 - (a) To promote or protect a company's image or its individual products.
 - (b) An existing product meant for mass usage by literate people.
 - (c) To introduce a new product to a particular class of people through door-to-door visits.
 - (d) To attract attention of the people by using incentives.

Q10. Which concept of marketing is based on the belief that consumers favours only those products which are widely available at lower prices.

HOMEWORK QUESTIONS

MCQ

- Q1.** Which of the following statements is not true with regard to the concept of 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.
- Q2.** Power Ltd, entered the Indian market with mobile phones and has now launched products such as tablets, laptops, pendrives etc. The organization is not only offering the products but also provides after sales service. Identify the element of Marketing Mix discussed above?
(a) Place Mix (b) Price Mix
(c) Product Mix (d) None of these
- Q3.** "50 grams extra" offer on purchase of Kurkure's Namkeen is an example of one of the techniques of sales promotion. Name the technique
(a) Product combination (b) Quantity gift
(c) Rebate (d) Usable benefit
- Q4.** "A Toy car free with "Maggi Noodles" is an example of one of the techniques of sales promotion". Name the technique
(a) Product combination
(b) Quantity gift
(c) Rebate
(d) Discount
- Q5.** Which of the following is a feature of 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
- Q6.** 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 freedom to accept or reject other party's offer.
- Q7.** Sagar Limited is offering a travel package for 15 destinations worldwide with a 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
- Q8.** Blowcool Limited has launched a new range of air conditioners in order to add value to the usability of the product. The new range of air conditioners have an inbuilt air purifier and are available in attractive colours. Identify the type of marketing philosophy being described in the above lines.
(a) Product concept (b) Production concept
(c) Marketing concept (d) Societal marketing concept
- Q9.** Protect Limited is a company dealing in various types of fire extinguishers. Considering the fact that people generally don't buy fire extinguishers, the company undertakes aggressive sales promotion efforts in order to create and maintain demand for the product. Identify the type of marketing philosophy being described in the given case,
(a) Product concept
(b) Selling concept
(c) Marketing concept
(d) Societal marketing concept
- Q10.** Ruchi is planning to launch an online education portal. In order to understand the varied needs of the students, she conducted an online survey. Based on the feedback of the survey, she has decided to offer educational packages to the prospective buyers. Identify the type of marketing concept being described in the given lines.
(a) Product concept
(b) Production concept
(c) Marketing concept
(d) Societal marketing concept
- Q11.** In order to enhance the easy marketability of the products, Devanand, a producer gets the home furnishing products manufactured in confirmation to the predetermined specifications. Identify the type of marketing function being described in the given case.
(a) Physical distribution
(b) Standardisation and grading
(c) Transportation
(d) Warehousing
- Q12.** Prakash Limited is a chain of trusted optical centers for prescription & fashion eyewear. It caters to affluent people with a range of premium sunglasses for men, women and kids. In order to raise the level of buyers' satisfaction, the company has decided to create a special section in each of its outlets for handling customer complaints and adjustment requirements. Identify the type of marketing function described in the given lines.
(a) Product designing and development
(b) Customer support services
(c) Promotion
(d) Physical distribution
- Q13.** Viru is a wholesaler of food grains. He categorises his stock into different groups on the basis of their quality and also fixes up the prices accordingly. Identify the type of marketing function being mentioned in the given line.
(a) Physical distribution
(b) Transportation
(c) Warehousing
(d) Standardisation and grading

Q14. While reading the label of a pack of aluminium foil, Kusum discovered that the product was manufactured at Hyderabad but was available for sale in many states across the country. Identify the function of marketing which has made this possible.

- (a) Promotion
- (b) Standardisation and grading
- (c) Transportation
- (d) Warehousing

Q15. Himanshu, working as a sales executive in Kamakhya Ltd. possesses good marketing techniques. His technique involves oral presentation of message in the form of conversation with prospective consumers for the purpose of making sales. Identify the promotional tool used by Mr. Himanshu.

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

Q16. "They don't sell what they make, but they make what they can sell". Which marketing concept is being highlighted in the given statement?

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

Q17. Identify the component of branding being depicted below.



- (a) Brand name
- (b) Brand Mark
- (c) Brand
- (d) Generic name

Q18. Shashank has decided to start a business of manufacturing crockery and cutlery items. In order to give a unique identification to his products, he has decided to assign the brand name 'Elegan' as it will enable the firm to secure and control the market for its products. Identify the relative advantage of branding to the marketers being described in the above case.

- (a) Facilitates differential pricing
- (b) Ease in the launching of new products
- (c) Facilitates product differentiation
- (d) Assists in advertising and display programmes

Q19. Charu had started the business of producing exclusive home decor items under the brand name 'Eleganza' 15 years back. Over the years, she has diversified into new segments like home furnishing, furniture and kitchenware. However, all the products are being sold under the same brand name 'Eleganza', as it appears to be apt for all of them. Identify the relative feature of a good brand name being described in the given case.

- (a) Short and easy to pronounce, spell and remember
- (b) Reflects the functions of the product
- (c) Distinctive/easily identifiable

(d) Versatile, can be used for brand extension

Q20. Neelam runs a Play School from her residence. Recently, she placed an order online for 200 chalk boxes. The boxes were delivered to her in a corrugated box. Identify this level of packaging which facilitated movement of the product.

- (a) Primary package
- (b) Secondary packaging
- (c) Transportation packaging
- (d) None of the above

Q21. In an inter school quiz competition, the participants were shown empty bottles of different energy drinks and were asked to identify the brands. All the participants were able to do so. Identify the related point highlighting the importance of packaging which is being described in the given case.

- (a) Rising standards of health and sanitation
- (b) Facilitates product differentiation
- (c) Innovative packaging adds value to a product.
- (d) Useful in self service outlets

Q22. When Reema had sent her servant to the market to buy a pack of chips, she asked him specifically to bring the yellow-coloured packet of chips of a particular brand. Identify the function of packaging being described in the above line.

- (a) Helps in product identification
- (b) Provides protection to the product
- (c) Facilitates the use of product
- (d) Assists in promotion of the product

Q23. On visiting a supermarket to buy a pack of moisturizer, Harshita noticed that the packaging of most of the beauty products exhibited a photograph of a celebrity. Identify the related function of packaging being described in the given case.

- (a) Facilitates the use of product
- (b) Assists in promotion of the product
- (c) Helps in product identification
- (d) Provides protection to the product

Q24. Rama is planning to set up a small manufacturing unit for manufacturing eco-friendly packaging material. She has decided to market her products through the conventional channel of distribution, which involves wholesalers and retailers. Identify the channel of distribution being adopted by the company.

- (a) Zero level channel
- (b) One level channel
- (c) Two level channel
- (d) Three level channel

Q25. Identify the component of promotion mix being described in the given exhibit?



- (a) Advertising
- (b) Sales Promotion
- (c) Public relation
- (d) Personal selling

SUBJECTIVE QUESTIONS

- Q26.** It is one of the elements of Marketing mix which contains one of the most important decisions that a marketer has to take to promote sales. The decision was taken by Mr. Durgesh, Marketing Manager of Rising Ltd., which facilitated the customer in product identification and hence ensured quality. It also built up their confidence and help in increasing their level of satisfaction. Apart from this, they provide educational scholarships for poor children in the society. Identify the concept highlighted in the above para.
- (a) Packaging (b) Branding
(c) Labelling (d) Transportation
- Q27.** 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
- Q28.** Kajal has decided to sell her range of organic food products through her own retail outlets. Identify the channel of distribution being adopted by the company.
- (a) Zero level channel
(b) One level channel
(c) Two level channel
(d) Three level channel
- Q29.** Lavina Limited has hired 300 salesmen who will be assigned the task of contacting prospective buyers and creating awareness about the new range of organic incenses introduced by the company. Identify the element of promotion been described in the given lines.
- (a) Advertising
(b) Sales promotion
(c) Personal selling
(d) Public relation
- Q30.** Within 2 years of it's inception, Future Limited has created a very positive reputation about itself and its products in the eyes of general public by participating extensively in various social welfare programs. Identify the component of promotion mixing described in the given lines.
- (a) Advertising
(b) Personal selling
(c) Public relation
(d) Sales promotion
- Q1.** A cosmetic manufacturing company is spending a lot of money on advertisement to sell their products as they believe that the sale of good depends largely on the quality of advertisement. Name the marketing philosophy followed by him. State any other two marketing philosophy.
- Q2.** Haldiram is selling fast food to the customers. Write the name of channel of distribution used by the company.
- Q3.** 'They don't sell what they make, but they make what they can sell'. Which marketing concept is being discussed here?
- Q4.** It is necessary that goods and services must be made available to consumers at the right place, in the right quantity and at right time. Name the concerned marketing mix discussed above.
- Q5.** One of the element of marketing mix is concerned with designing the shape, size and quality of goods and services.
- (i) Name that element of marketing mix
(ii) Name the important features of that element.
- Q6.** RNC started its business with Tobacco Industry, later on its entered in hotel industry, consumer goods industry, stationery, etc. RNC assured quality to customer and kept company's name as its identity. This help the customers in product identification and hence ensured quality. It also built up their confidence and help in increasing their level of satisfaction.
- (i) Name the element of marketing mix referred in above para.
(ii) Name the other elements of marketing mix.
(iii) Name the concept which assure quality and help in identification of product.
- Q7.** A leading leather manufacturing company is using banned animal skin to make huge profit. Name the marketing concept which is ignored here.
- Q8.** 'Advertising' and 'Personal Selling' both are communication tools used by the marketers to promote their products. Yet they differ in their approach. Differentiate between the two by giving any six differences.
- Q9.** Seema, a shoe manufacturer for school students, decided to maximise her profit by producing and distributing at large scale and thereby reducing the average cost of production. Identify the marketing management philosophy adopted by Seema.
- Q10.** Why is packaging called a silent salesman?

SOLUTION FOR PRACTICE QUESTIONS

SOLUTION FOR MCQ QUESTIONS

| | | | | | |
|-----|-----|------|-----|------|-----|
| S1. | (c) | S8. | (d) | S15. | (c) |
| S2. | (d) | S9. | (b) | S16. | (a) |
| S3. | (c) | S10. | (b) | S17. | (a) |
| S4. | (b) | S11. | (d) | S18. | (d) |
| S5. | (d) | S12. | (d) | S19. | (c) |
| S6. | (c) | S13. | (d) | S20. | (c) |
| S7. | (b) | S14. | (a) | | |

SUBJECTIVE QUESTIONS

- S1.** Product.
- S2.** (a) Public Relations.
(b) Role of public relations can be discussed with respect to the functions which the department performs: (*any two*)
(i) Press relations
(ii) Product publicity
(iii) Corporate communication
(iv) Lobbying.
(v) Counselling.
- S3.** The packaging of tablets in a corrugated box is necessary for the purpose of storage, identification and transportation.
- S4.** Different levels of packaging of the pain relieving medicine are:
Ointment tube: Primary packaging
Cardboard box: Secondary packaging
Functions of packaging: (*Any three*)
(i) It helps in product identification.
(ii) It helps in protection of the product from spoilage, breakage, leakage damage etc.
(iii) It facilitates use of the product to the consumers through appropriate sizes and shapes.
(iv) It helps in promotion of the product as a good package attracts the attention of the people at the time of purchase.
- S5.** Secondary Packaging
- S6.** Give all the information on Label.
- S7.** The channel of distribution Vijay would adapt is indirect because he is dealing with consumer goods
- S8.** Societal Marketing Concept
- S9.** (i) Synergy in Total Promotion Efforts
(ii) Advertisement
(iii) (a) Public Relation
(b) Advertisement
(c) Personal selling
(d) Sales Promotion
- S10.** Production Concept

SOLUTION FOR HOMEWORK QUESTION

SOLUTION FOR MCQ QUESTIONS

| | | |
|----------|----------|----------|
| S1. (c) | S11. (b) | S21. (b) |
| S2. (c) | S12. (b) | S22. (a) |
| S3. (b) | S13. (d) | S23. (b) |
| S4. (a) | S14. (c) | S24. (c) |
| S5. (d) | S15. (d) | S25. (b) |
| S6. (c) | S16. (c) | S26. (b) |
| S7. (c) | S17. (b) | S27. (b) |
| S8. (a) | S18. (c) | S28. (a) |
| S9. (b) | S19. (d) | S29. (c) |
| S10. (c) | S20. (c) | S30. (c) |

SUBJECTIVE QUESTIONS

- S1.** The type of marketing philosophy followed by this firm is "Selling concept".
- S2** Direct channel (zero level of distribution channels).
- S3** Marketing Concept
- S4** Place Mix
- S5** (i) Product Mix
(ii) Features of Product Mix are:
(a) Labelling
(b) Branding
- S6** (c) Packaging
(i) Product Mix
(ii) Other elements: Price mix, Place mix, Promotion mix.
(iii) Concept which help in identifying the product and assure quality is branding.
- S7** Societal Marketing Concept is being ignored here.
- S8** Refer to page no. 166.
- S9** Production concept
- S10** Packaging is called a silent salesman because like a salesman packaging induces a people to buy the products.