



Fundamentals of Marketing

SYLLABUS

- UNIT-I** **Introduction** : Nature, scope and importance of marketing; Evolution of marketing concepts; Marketing mix; Marketing environment. Micro and Macro environmental factors.
Consumer Behaviour—An Overview : Consumer buying process; Factors influencing consumer buying decisions.
- UNIT-II** **Market Selection** : Market segmentation—concept, importance and bases; Target market selection; Positioning concept, importance and bases; Product differentiation vs. market segmentation.
Product : Meaning and importance, Product classifications; Concept of product mix; Branding, packaging and labelling; After-sales services; Product life-cycle; New Product Development.
- UNIT-III** **Pricing** : Significance; Factors affecting price of a product; Major pricing methods; Pricing policies and strategies.
Promotion : Nature and importance of promotion; Promotion Tools; advertising, personal selling, public relations; sales promotion and publicity-concept and their distinctive characteristics; Promotion mix; Factors affecting promotion mix decisions and Integrated Marketing Communication Approach.
- UNIT-IV** **Distribution** : Channels of distribution—meaning and importance; Types of distribution channels; Wholesaling and retailing; Factors affecting choice of distribution channel; Distribution Logistics; Meaning, importance and decisions.
Retailing : Types of retailing—store based and non-store based retailing chain stores, speciality stores, supermarkets, retail vending machines mail order houses, retail cooperatives; Management of retailing operations; an overview; Retailing in India: changing scenario.
Recent developments in marketing : Social Marketing, Online Marketing, Direct Marketing, Services Marketing, Green Marketing, Relationship Marketing, Rural marketing.

VIDYA
UNIVERSITY PRESS

Registered Office
Vidya Empire, Baghpat Road,
Meerut, Uttar Pradesh (NCR) 250 002
www.vidyauniversitypress.com

© Publisher

Written & Edited by
Research and Development Cell

Printer
Vidya University Press

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UNIT-I

Introduction to Marketing

SECTION-A (VERY SHORT ANSWER TYPE QUESTIONS)

Q.1. What do you mean by the term 'marketing'?

Ans. Marketing is the way of life in which all the resources of an organisation are mobilised to create, stimulate and satisfy the consumer at a profit. It is a philosophy, an attitude, a course of thinking, an idea, a notion or business vision relating to any aspect of human creation. In narrower sense, marketing starts after the products are produced and ends with their sale. But in broader sense, marketing starts before the production activity and continues even after making sale. In other words, marketing is the identification and profitable satisfaction of customer's needs.

Q.2. Write some specific features of old and narrow concept of marketing.

Ans. Some specific characteristics of old and narrow concept of marketing are :

1. It concentrates upon production activities.
2. It assumes that marketing starts after the goods have been produced and ends after the goods have been sold.
3. It assumes that marketing is only the physical distribution of goods and services from producer to consumers.
4. According to this concept, the ultimate objective of marketing is to maximise the profits by sale of maximum product.

Q.3. Give some important definitions of marketing as per micro marketing approach.

Ans. Some important definitions of this concept are as under :

1. Marketing is the economic process by means of which goods and services are exchanged and their values determined in terms of money price.
2. Marketing comprises both buying and selling activities.
3. Marketing consists of those efforts which effects transfers in the ownership of goods and services and which provide for physical distribution.
4. Marketing is the performance of business activities that direct the flow of goods and services from producer to consumer or user.
5. Marketing includes activities involved in the flow of goods and services from production to consumption.

Q.4. 'Marketing is said to be the eyes and ears of business.' Justify the statement.

Ans. Marketing is said to be the eyes and ears of business because, it keeps the business in close contact with its environment. It works out primarily because, ascertaining the consumer needs and wants is a regular trend and improvement in existing products and introduction of new product keeps on taking place. Marketing thus, contributes to providing better products and services to the consumers and improve their standard of living. In this chapter, we will learn about the meaning of marketing, its importance, objectives and functions.

Q.5. Discuss marketing research as a marketing function.

Ans. Marketing research is a primary function of marketing. In changing world economy, we cannot survive without market analysis and research. In Marketing Research, we analyse the buyer's habits, preferences, tests, other substitute products, different income groups in society, and effectiveness of advertisements, etc. It provides many important information about products in market to the Marketing Manager. According to W. J. Stanton, "Marketing Research is the systematic research for and analysis of facts related to a marketing problem. Its emphasis is shifting from fact finding, information gathering activity to a problem solving and action recommending function."

In this way Marketing Research helps in decision-making for pre- production phase of any product.

Q.6. Define the term 'market'.

Ans. The term 'Market' has been derived from Latin word 'Mercatus'. The Market refers to a place or point where buyers and sellers meet together with the intention of buying and selling of the product. According to G. P. Pyle, "Market includes both place and region in which buyers and sellers are in free competition with one another." William J. Stanton defines market as, "Market is a total system of interacting business activities designed to plan, price, promote and distribute want satisfying products and services, to present and potential customers."

Q.7. What do you mean by the term marketing management?

Ans. Marketing management is the analysis, planning, implementation and control of programmes designed to bring about desired exchanges with target markets for the purpose of achieving organisational objectives. Marketing management is concerned with the chalking out of a definite programme, after careful analysis and forecasting of the market situations and the ultimate execution of these plans to achieve the objectives of the organisation.

Q.8. Give the definitions of marketing concept.

Ans. Marketing concept is a philosophy of business management, based upon a companywide acceptance of the need for customer orientation, profit orientation, and recognitions of the important role of marketing in communicating the needs of the market to all major corporate departments.

Marketing concept is the key for achieving organizational goals consist in determining the needs and wants of target markets and delivering the desired satisfaction more effectively and efficiently than competitors.

Q.9. What do you mean by meta-marketing?

Ans. The term 'Meta-Marketing' developed by Prof. E. J. Kelly. Here 'Meta' means 'more comprehensive'. According to Prof. Kelly, "Meta Marketing is to designate a new, although related discipline which deals critically with marketing as a discipline." The word 'Meta' is being used to mean 'beyond' as in Metaphysics. The concern of Meta-Marketing is to focus all scientific, social, ethical and managerial experiences on marketing. It is an attempt to widen the horizons of marketing by covering non-business organisations like, NGOs, temples, Universities etc.

Q.10. Define the term 'marketing environment'.

Ans. Marketing environment is a combination of two words, 'Marketing' and Environment'. The word marketing starts with determination of consumer wants and ends with satisfaction of those wants. Environment means, all external and internal factors and forces which affect

the marketing activities. Marketing activities are influenced by several factors inside and outside of the business firm. All internal and external factors or forces which influence the marketing decision making are called 'Marketing Environment'.

Q.11. What do you mean by micro marketing environment?

Ans. The Micro Marketing Environment includes all those factors that are closely associated with the operations of the business and influences its functioning. The microenvironment factors include customers, employees, suppliers, retailers and distributors, shareholders, competitors, government and general public.

Q.12. What is meant by environment scanning?

Ans. Environmental scanning is the process of gathering information about events and their relationships within an organization's internal and external environments and careful monitoring of these environments to identify future threats and opportunities. It is the analysis of all factors that may affect the future of the organization.

The purpose of this process of environmental scanning is to provide the entrepreneur with a roadmap to the changes likely to happen in the future. So this way they can adapt the business to overcome the threats and capitalize on the opportunities coming their way.

Q.13. What do you mean by the term 'consumer behaviour'?

Ans. Consumer behaviour is closely related with how individuals, groups and organization select, buy, use and dispose of goods and services, ideas or experiences to satisfy their needs and wants. Thus, consumer behaviour may be defined as the decision process and physical activity individuals engage in when evaluating, acquiring, using or disposing of goods and services.

SECTION-B (SHORT ANSWER TYPE) QUESTIONS

Q.1. Explain the criticism of old or narrower concept of marketing.

Ans. Criticism of Old or Narrower Concept of Marketing

There are several weaknesses of this approach which are as follows :

- (i) **Focus on Place Aspect** : In the above definitions, only one function 'place' has been highlighted. Thus, the other Ps like promotion, pricing, product, packaging, etc., has been completely ignored.
- (ii) **Lack of Customer Orientation** : It is assumed that customers will buy whatever is offered to them. Their requirements need not be looked into before actually manufacturing the product. Thus, the orientation of the definition "we sell what we make" must change to "we make what we sell."
- (iii) **Lack of Emphasis on After-Sales Service** : After-Sales Service is an essential part of marketing activities. In this approach after-sales service is not highlighted. In modern age every firm needs repeat patronage from customers to continue in the business.
- (iv) **Exclusion of Non-economic Activities** : The definition limits marketing to business activities and thus non-business activities like, social marketing, green marketing etc., are not covered.

Q.2. Discuss the exchange functions of marketing.

Ans. Exchange Functions of Marketing

Following are the major exchange functions of marketing :

- Buying and Assembling :** Firstly, raw materials are purchased for production by the industrial enterprises and finished goods are purchased for resale by the commercial enterprises. The important role of marketing department is to supply the information regarding the needs and preferences of customers. In purchasing process it makes co-ordination between purchasing officials and marketing officials for purchase right materials at right time in right quantities.
But Assembling is different from purchasing. It means collection of goods already purchased from different sources at a common point. It facilitates to conversion of semi-finished raw-materials into finished goods and services.
- Selling :** Selling is a routine activity. It includes only the physical distribution of goods and services. It stresses upon maximisation of profits through maximisation of sales.

Q.3. Discuss the various objectives of marketing.

Ans. Objectives of Marketing

Following are the major objectives of marketing :

- To Provide Satisfaction to Customers :** All marketing activities are directed towards customer satisfaction. Marketing starts with ascertaining consumer needs and produce goods that satisfy those needs most effectively. Not only that the pricing and distribution functions of marketing are also planned accordingly.
- Increase in Demand :** Through advertising and other sales promotional efforts, marketing aims at creating additional demand for their products. Satisfied customers also help in creating new customers. For example, if they buy a 'gel pen' and feel satisfied, next time also they will buy the same pen and obviously they tell to others about it.
- To Provide better Quality Product to the Customers :** This is a basic objective of marketing. The business houses try to update and upgrade their knowledge and technology to continuously provide better products. If they do not do so, they will be phased out through competition.
- To Create Goodwill for the Organization :** Another objective of marketing is to build a good public image and create goodwill for the organization. This helps in maintaining loyalty to the product and accepting new products of the same company.
- To Generate Profitable Sales Volume :** The ultimate objective of all marketing efforts is to generate profitable sales volumes for the business. Taking care of customer needs and wants by providing the required goods and services at prices they can afford, and at places and timing that are convenient to them ultimately lead to increased sales and profits.

Q.4. Differentiate between market and marketing.

Ans. Difference between Market and Marketing

Following table highlights the difference between market and marketing :

Basis	Market	Marketing
Meaning	Market is defined as an arrangement whereby buyers and sellers meet each other to conclude the transaction.	Marketing is a function that identifies human and social needs and satisfies them.
About	A set up <i>i.e.</i> , a place.	A set of processes, <i>i.e.</i> , a means of creating utility.

Process	Market is a process that fixes the price of commodities through demand and supply forces.	Marketing is a process that analyses, creates, informs and delivers value to the customers.
Concept	Market is a narrow concept.	Marketing is a wide concept that includes diverse activities.
Consistency	Market varies by products, place, and factors and so on.	Marketing philosophy remains same, no matter where it is applied.
Facilitates	Trades between parties.	Link between customer and company.

Q.5. Elaborate the meaning and definitions of marketing concept.

Ans. Meaning and Definitions of Marketing Concept

The marketing concept has been recognized as a philosophy of business which directs business activities towards profit maximisation through maximum selling and providing customer satisfaction for profit in long-term. It is an attitude, a course of thinking, an idea or a notion relating to integrated marketing effort to achieve organizational goals.

Following key points are considerable to better understanding of Marketing Concept :

- Identifying the market or targeting consumers;
- Understanding the needs and wants of the consumers in the target market;
- Creating products or services based on the consumers' needs and wants;
- Satisfying the needs of consumers better than competitors; and
- Accomplishing all of these while earning a profit.

Some definitions of marketing concept are given as below :

Marketing concept is the key for achieving organizational goals consist in determining the needs and wants of target markets and delivering the desired satisfaction more effectively and efficiently than competitors.

Marketing concept is a philosophy of business management, based upon a companywide acceptance of the need for customer orientation, profit orientation, and recognitions of the important role of marketing in communicating the needs of the market to all major corporate departments.

So, we can say that marketing concept is the way of life in which all the resources of an organization are mobilized to create, stimulate and satisfy the consumer at a profit. It represents a distinct philosophy of business and considers marketing more than a physical process.

Q.6. Differentiate between marketing and selling.

Ans. Difference between Marketing and Selling

Following points highlight the difference between marketing and selling :

Basis	Marketing	Selling
Philosophy	Focuses on customer's needs.	Focuses on seller's needs.
Origin	It is a new approach.	It is a classical approach.
Scope	Much wider scope includes many allied activities.	It is limited only to the physical distribution.
Orientation	Marketing is customer oriented.	Selling is product oriented.
Objective	Profit through customer satisfaction.	Profit through sales volume.
Nature	Marketing has long-term objectives.	Selling has very short-term objectives.

Q.7. Differentiate between traditional marketing and modern marketing.

Ans. Difference between Traditional Marketing and Modern Marketing

Traditional Marketing : According to this concept, marketing consists of those activities which are concerned with the transfer of ownership of goods from producers to consumers. Thus, marketing means the selling of goods and services. In other words, it is the process by which goods are made available to ultimate consumers from their place of origin. The traditional concept of marketing corresponds to the general notion of marketing, which means selling goods and services after they have been produced. The emphasis of marketing is on sale of goods and services. Consumer satisfaction is not given adequate emphasis.

In this way, marketing is regarded as production/sales oriented. In traditional marketing, more importance is given on selling the product. They start with production and marketing is done while selling and promoting the product to attain sales at profit. In this technique, the existing products are imposed on the market through aggressive selling and promotional pressures.

Modern Marketing : Its main motive is customer satisfaction that is building a relationship with customer and it is achieved through an integrated, corporate wide set of marketing activities.

According to the modern concept, marketing is concerned with creation of customers. Creation of customers means identification of consumer needs and organizing business to satisfy these needs. Marketing in the modern sense involves decisions regarding the following matters :

1. Products to be produced
2. Prices to be charged from customers.
3. Promotional techniques to be adapted to contact and influence existing and potential customers.
4. Selection of middlemen to be used to distribute goods and services.

Modern concept of marketing requires all the above decisions to be taken after due consideration of consumer needs and their satisfaction. The business objective of earning profit is sought to be achieved through provision of consumer satisfaction. This concept of marketing is regarded as consumer oriented as the emphasis of business is laid on consumer needs and their satisfaction.

Q.8. Give the meaning and definitions of marketing environment.

Ans. Meaning of Marketing Environment

Marketing environment is a combination of two words, 'Marketing' and 'Environment'. The word marketing starts with determination of consumer wants and ends with satisfaction of those wants. Environment means, all external and internal factors and forces which affect the marketing activities. Marketing activities are influenced by several factors inside and outside of the business firm. All internal and external factors or forces which influence the marketing decision making are called Marketing Environment.

Definitions of Marketing Environment

Main definitions of marketing environment are :

1. "A company's marketing environment consists of the actors and forces outside of marketing that affect marketing management ability to build and maintain successful relationships with target customers".

—Philip Kotler

2. "A marketing manager must analyze customer needs and choose marketing strategy variables within the frame work of marketing environment and how it is changing."

—E. J. Mc Carthy

Thus, the **Marketing Environment** includes the Internal factors (employees, customers, shareholders, retailers and distributors, etc.) and the External factors (political, legal, social, technological, economic) that surround the business and influence its marketing operations.

Q.9. Explain the advantages of marketing environment.

Ans. Advantages of Marketing Environment

Following are the main advantages of marketing environment :

1. **Understanding the Competitors** : Every niche has different players fighting for the same spot. A better understanding of the marketing environment allows the marketer to understand more about the competitions and about what advantages do the competitors have over his business and *vice-versa*.
2. **Understanding Customers** : Thorough knowledge of the marketing environment helps marketers acknowledge and predict what the customer actually wants. In-depth analysis of the marketing environment reduces (and even removes) the noise between the marketer and customers and helps the marketer to understand consumer behaviour better.
3. **Tapping Trends** : Breaking into new markets and capitalizing on new trends requires a lot of insight about the marketing environment. The marketer needs to research about every aspect of the environment to create a foolproof plan.
4. **Threats and Opportunities** : Sound knowledge of the market environment often gives a first-mover advantage to the marketer as he makes sure that his business is safe from future threats and taps the future opportunities.
5. **Essential for Planning** : An understanding of the external and internal environment is essential for planning for the future. A marketer needs to be fully aware of the current scenario, dynamism, and future predictions of the marketing environment if he wants his plans to succeed.

Q.10. Discuss the various steps involved in the process of environmental analysis.

Ans. Steps Involved in Environmental Analysis

Following are the major steps involved in the process of environmental analysis :

1. **Identifying** : First of all, the factors which influence the business entity are to be identified, to improve its position in the market. The identification is performed at various levels, *i.e.* company level, market level, national level and global level.
2. **Scanning** : Scanning implies the process of critically examining the factors that highly influence the business, as all the factors identified in the previous step effects the entity with the same intensity. Once the important factors are identified, strategies can be made for its improvement.
3. **Analysing** : In this step, a careful analysis of all the environmental factors is made to determine their effect on different business levels and on the business as a whole. Different tools available for the analysis include benchmarking, Delphi technique and scenario building.
4. **Forecasting** : After identification, examination and analysis, lastly the impact of the variables is to be forecasted.

Environmental analysis is an ongoing process and follows a holistic approach that continuously scans the forces effecting the business environment and covers 360 degrees of the horizon, rather than a specific segment.

Q.11. State the nature or features of consumer behaviour.

Ans. Nature or Features of Consumer Behaviour

Some important features of consumer behaviour are :

1. **Influenced by Psychological, Social and Physical Factors** : Consumer behaviour is influenced by psychological, social and physical factors. A consumer may be loyal with a product due to its status values. Another may stick with a product due to its economy in price. Understanding these factors by a marketer is crucial before placing the product to the consumers.
2. **Complex Affair** : Learning the consumer is difficult and complex as it involves the study of human beings. Each individual behaves differently when he is placed at different situations. Every day is a lesson from each and every individual while we learn the consumer behaviour. Today one may purchase a product because of its smell, tomorrow it may vary and he will purchase another due to some another reason.
3. **Dynamic** : A consumer's behaviour is always changing in nature. The taste and preference of the people vary. According to that consumers behave differently. As the modern world changes the consumer's behaving pattern also changes.
4. **Part of Human Behaviour** : Consumer behaviour is the part of human behaviour. This cannot be separated. Human behaviour decides what to buy, when to buy etc. This is unpredictable in nature. We cannot say that what an individual is going to do in the next moment. Based on the past behavioural pattern one can at least estimate like the past he might behave.

Q.12. Discuss the main stages involved in the consumer decision process.

Ans. Consumer Decision Process

Major stages involved in the consumer decision process are :

1. **Problem Recognition** : It is the first step in decision-making process in consumer buying process. The customer feels that some product is desired to satisfy the emerging need. For example, if it is hunger, food is desired.
2. **Information Search** : When need is recognised, the consumer starts to learn about various products. Knowledge of products with their characteristics and knowledge of market (stores) where to purchase the goods is gained. In this way, the consumer learns about various alternatives, their features, strengths and weaknesses.
3. **Evaluation of Alternatives** : Once the information searching process is complete, the evaluation process starts. A successful information search yields a number of brands that a buyer views as possible alternatives. The evaluation based on cost, warranty, brand image, subjective characteristics, quality of goods and services.
4. **Purchase Decision** : In purchase decision, the buyer chooses the product or brand to be bought. Product availability may influence which brand is purchased. For example, if the top brand product is unavailable, the buyer may purchase other brand product on seller's assurance for quality of the product. When price, delivery, warranty, maintenance agreement, credit agreement and installation are settled, the actual purchase takes place.

5. **Post-Purchase Behaviour** : Post-purchase behaviour is the reaction of consumer, it gives an idea of his likes and dislikes, preferences and attitudes and satisfaction level towards the product. Post-purchase behaviour indicates whether or not the purchase motives have been achieved. Many criteria used in evaluating products, i.e., durability, service, quality, easy handling, etc.

Q.13. Explain the importance of study of consumer behaviour.

Ans. Significance of Studying Consumer Behaviour

Role or importance of study of consumer behaviour can be explained with reference to the points stated as below :

1. **Consumer Differentiation** : Market exhibits considerable differentiations. Each segment needs and wants different products. For every segment, a separate marketing programme is needed. Knowledge of consumer differentiation is a key to fit marketing offers with different groups of buyers. Consumer behaviour study supplies the details about consumer differentiations.
2. **Achievement of Goals** : The key to a company's survival, profitability, and growth in a highly competitive marketing environment is its ability to identify and satisfy unfulfilled consumer needs better and sooner than the competitors. Thus, consumer behaviour helps in achieving marketing goals.
2. **Useful for Dealers and Salesmen** : The study of consumer behaviour is not useful for the company alone. Knowledge of consumer behaviour is equally useful for middlemen and salesmen to perform their tasks effectively in meeting consumers needs and wants successfully. Consumer behaviour, thus, improves performance of the entire distribution system.
3. **More Relevant Marketing Programme** : Marketing programme, consisting of product, price, promotion and distribution decisions, can be prepared more objectively. The programme can be more relevant if it is based on the study of consumer behaviour. Meaningful marketing programme is instrumental in realizing marketing goals.
4. **Adjusting Marketing Programme over Time** : Consumer behaviour studies the consumer response pattern on a continuous basis. So, a marketer can easily come to know the changes taking place in the market. Based on the current market trend, the marketer can make necessary changes in marketing programme to adjust with the market.
5. **Predicting Market Trend** : Consumer behaviour can also aid in projecting the future market trends. Marketer finds enough time to prepare for exploiting the emerging opportunities and/or facing challenges and threats.

Q.14. Explain various macro environmental factors.

Ans. Macro Environmental Factors

Various macro environmental factors are as follows :

1. **Political and Legal Factors** : With the change in political parties, several changes are seen in the market in terms of trade, taxes, and duties, codes and practices, market regulations, etc. So the firm has to comply with all these changes and the violation of which could penalize its business operations.
2. **Economic Factors** : Every business operates in the economy and is affected by the different phases it is undergoing. Economic forces widely consist of income

distribution, consumer saving, cost of living, interest rates, market trends etc. These factors determine the purchasing power and spending patterns of consumers. In the case of recession, the marketing practices should be different as what are followed during the inflation period. Thus, the study and knowledge of economic forces is essential for preparing effective marketing strategies.

3. **Social Factors** : The concept of 'social responsibility' directly affects the present marketing programme of a business firm. Since business operates in a society and has some responsibility towards it, must follow the marketing practices that do not harm the sentiments of people. Also, the companies are required to invest in the welfare of general people by constructing public conveniences, parks, sponsoring education, etc. As well as business firms should avoid producing harmful products and try to introduce green products or 'ECO Mark' products.
4. **Technological Factors** : As technology is advancing day by day, the firms have to keep themselves updated so that customer's future needs can be met with more precision. In fact, technological forces help to shape changes in the life style of the consumers and their further demand in future.

SECTION-C (LONG ANSWER TYPE) QUESTIONS

Q.1. Discuss the major features of marketing.

Ans. Features of Marketing

The main features of modern marketing are as follows :

1. **Creates Mutually-Beneficial Relationships** : The customer is the focus of all marketing activities. But during the last decade, the focus has shifted to the way of doing business, i.e., the strategic aspects of marketing. Here the means of marketers are their knowledge and experience, and the end result is in the form of mutual beneficial relationship. Thus, marketing is everything that results in the mutually beneficial relationships with the customer.
2. **Starts and Ends with the Consumer** : Traditional Marketing is concerned only with the flow of goods and services from the producer to the consumer. Under consumer-oriented marketing, it is essential to know what the consumers really want. It is possible only when information is collected from the consumers. So that, marketing research and marketing information system have emerged as a full-fledged function of marketing.
3. **Part of Total Environment** : The firm's environment defines its threats and opportunities. Marketing system is directly related to the production and distribution of goods, services, ideas, places and persons for the satisfaction of human needs. However, it is better to look at remote and immediate environment of any marketing organisation.
4. **Marketing is a System** : Marketing is a system consisting of several inter-dependent and sub-systems. It is true that a system might vary according to the changes in the concept. Therefore, in a sense, Marketing System may be referred to as a socio-economic process. The broader views, the marketing as a system that correlates the firm and the society.
5. **Social Function** : Marketing is a social function, because it requires interaction with the various segment of society. It involves the interaction of several business activities

whose ultimate objective is the satisfaction of customer needs and desires. By satisfying the existing needs of the consumers and creating new needs and wants for better and improved products marketing sets the pattern of consumption and improves the living standards of the people.

6. **Marketing is a Specialised Business Function** : In a business, the selling function did not require any specialised skill. But in the early days marketing requires a specialised skill, the management of a firm has to develop a particular organisation with a view to absorbing new ideas, new approaches and new market demands.
7. **Marketing as a Discipline** : The subject of marketing has emerged out of the business which has desired its existence from economics. After emerging from business, Marketing has got its strength from related areas-law, psychology, anthropology, sociology, statistics, mathematics because the related problems impinge heavily on consumer behaviour, legal aspects of marketing, research canon consumer needs, advertising media, pricing, promotion method, etc. Thus, marketing as a discipline stands tested as an art and a science.
8. **Exchange Process is the Essence of Marketing** : All marketing activities revolve around exchange process. Exchange implies transactions between buyer and seller. The seller hands over a product or service to the buyers who in turn give money. There is also exchange of information between buyers and seller.
9. **Consumer-Oriented** : A business exists to satisfy human needs. The activities of Marketing must be directed and focussed at the customer. It involves the interaction of several business activities whose ultimate objective is the gratification of customer needs and desires. By satisfying the existing needs of the consumers and creating new needs and wants for better and improved products, marketing sets the pattern of consumption and improves the living standards of the people.

Q.2. Explain the physical supply functions of marketing.

Ans.

Physical Supply Functions

Following are the major physical supply functions of marketing :

1. **Transportation** : In rapid industrialisation age the exchange of goods and services cannot take place unless sufficient facilities for transportation are available. It transports various types of raw materials from the place of their production to the industrial centers where they are converted into finished products and again facilitates the distribution of goods from the producers to the users. The mode of transportation may be by ship, air, rail and road. Selection of transportation means depends on the value of goods, nature of goods and distance of travel, time and cost of goods.
2. **Packaging and Labelling** : Packing process has become one of the key functions of marketing. It facilitates the sale of a product or easy transfer of goods to customers by protecting the goods from damage in transit. Labelling is a part of packaging. Through labelling a producer communicates brand, grade, weight, and other information about the product. It is an identification mark on the product which consist relevant information about the producer and the product.
3. **Storage and Warehousing** : In general conditions goods are produced in continuous affairs, storage becomes necessary when production is seasonal but consumption is perennial and also when production is continuous but consumption is seasonal. It facilitates smooth flow of commodities to marketers throughout the year according to their demand.

The house, building or a room for storing is known as warehouse. Warehouses help in having a central place for keeping goods from where the supply could be made easily and according to requirement. In other words, warehousing involves preserving and holding goods safely between the time of their production to consumption.

4. **Standardisation, Grading and Branding** : In standardising process, producers or marketers establish a basic measure or standard to which products must have to be designed.

Grading is the act of separating the goods according to established specifications to determine the grades. When manufacturers supply their goods by specific or well defined names is called branding. These processes help buyers to buy the product according to buyers needs.

Q.3. Elaborate the facilitating functions of marketing.

Ans. Facilitating Functions of Marketing

Following are the major facilitating functions of marketing :

1. **Financing** : As per F. J. Pyle, "Money or credit is the lubricant that facilitates the operation of the marketing machine as modern marketing requires vast resources." Producer has to keep sufficient stock in tune of anticipation of demand in the market. Similarly, mediators, i.e., wholesalers, export houses, retailers also need adequate quantities of stock to fulfill the requirements of their customers. All these require sufficient credit facilities for smooth conduction of business.
Various commercial banks, co-operative institutions, industrial banks, consumer-credit co-operative centers, etc., provide financing facilities for dispersion of working capital.
2. **Salesmanship** : It is very difficult to sale any product properly without art of salesmanship. Through various activities of salesmanship; such as personal selling, demonstrating, sample distribution for measuring qualities of a product and receiving feedback of customers, a salesman finds out what his customers needs and does his best to meet it.
In retail marketing personal selling to be established as a important method of selling goods. Salesmanship or personal selling facilitates direct and personal contact of the seller with the purchaser.
3. **Risk-taking** : Various types of risk in marketing are price fluctuations, obsolescence of goods, change in economic conditions, government policies and change in the tastes and preferences of consumers, shortage, damages, theft, natural calamities, etc. The various risks are termed as place risk, time risk, physical risk, etc. A marketer can transfer some of his risk by careful handling, some of these risks may be totally avoided. Some others may be shifted to insurance companies; for example, the risk due to fire and accidents may be covered by insurance. But the risks due to changes in prices cannot very easily be eliminated, shifted or reduced. So it requires full knowledge of market situation, well-developed research and promotion activities.
4. **Marketing Information** : Marketing managers require a lot of adequate and accurate information. This information becomes the basis of many decisions in marketing. Marketing information makes a marketer to know when to sell, at what price to sell, who are the competitors, etc. In changing business environment marketing information is the basic source for taking business decisions in marketing.

Marketing information and its proper analysis has led to Marketing Research. Marketing Research is gathering, recording and analysing facts about any problem facing marketers. So, it has now become an independent branch of marketing.

Q.4. State the major advantages of marketing.

Ans.

Advantages of Marketing

Following are the main advantages of marketing :

1. **Provides in Communication between Producer and Customers :** Through marketing activities a marketer collects various information regarding customers taste, preference and changes in customers behaviour time to time. On the other hand, marketing provides necessary information regarding product quality, price, place of availability, product quantity to customers. In this way, customers come to know about the new products.
2. **Assists in Decision-making :** In rapid changing economy a marketer collects information and takes appropriate decisions regarding business. All over the marketing activities deeply concerned with art of decision- making. On the basis of various information marketer able to take right decision.
3. **Maximise Profit :** Profit maximisation is the main object of every firm. Marketing makes easier to availability of goods and services and reduced cost at each level. It generates demand for goods and services through advertisement and sales promotional activities. All these efforts result maximum profit of the firm.
4. **Helps in Improving Standard of Living :** Marketing provides quality product and services to the people in the society according to their needs. Marketing creates, maintains and increases the demand of existing product and new product and upgrades the standard of living of the society. In this connection **Paul Mazur** has said, "Marketing is the delivery of standard of living to society."
5. **Helps in Providing Employment :** Marketing activities requires the services of different enterprises such as finance, insurance, transportation, production, research, warehousing, wholesaler, retailers and advertising, etc. These services require a large number of persons and it provides employment to society. In Indian context, there is a great scope of increasing employment. In modern time marketing as a career provides an employment opportunity to various people.
6. **Boosts the National Income :** It helps in developing economic resources of any country. It creates demand for goods and services in the society and its results to increase level of production. In this tune when production and supply increases, National Income also increases. Finally, we can say that, marketing helps in developing economic resources. A business firm generates more economic resources of the country through earning more and more profits by carrying out marketing functions.
7. **Less Business Risks :** Marketing and its activities can give protection against business slumps by discovering new markets reducing cost, improving the product quality in period of depression and low prices.

Q.5. What do you mean by the term 'marketing management'? Also explain the nature of marketing management.

Ans.

Meaning of Marketing Management

Marketing management is the analysis, planning, implementation and control of programmes designed to bring about desired exchanges with target markets for the purpose of achieving

organisational objectives. Marketing management is concerned with the chalking out of a definite programme, after careful analysis and forecasting of the market situations and the ultimate execution of these plans to achieve the objectives of the organisation.

Marketing Management performs all managerial functions in the field of Marketing. These Managerial functions are product planning, development, pricing, advertising, marketing research, advertising, selling, distribution, co-ordination and control with a view to satisfy the needs of consumers. Thus, marketing management is the management of the crucial and creative task of delivering consumer satisfaction and thereby earning profits through consumer demand.

Marketing management is the organisational discipline which focuses on the practical application of marketing orientation, techniques and methods inside enterprises. It facilitates the activities and functions which are involved in the distribution of goods and services.

Marketing management may be defined as the process of management of marketing programmes for accomplishing organisational goals and objectives. It involves planning, implementation and control of marketing programmes or campaigns.

Nature of Marketing Management

Following points highlight the nature of marketing management :

1. **Combines the Fields of Marketing and Management** : As the name implies, marketing management combines the fields of marketing and management. Marketing consists of discovering consumer needs and wants, creating the goods and services that meet those needs and wants; and pricing, promoting, and delivering those goods and services. Doing so requires attention to six major areas: markets, products, prices, places, promotion, and people.
Management is getting things done through other people. Managers engage in five key activities - planning, organising, staffing, directing, and controlling. Marketing management implies the integration of these concepts.
2. **A Business Process** : Marketing management is a business process, to manage marketing activities in profit seeking and non-profit organizations at different levels of management, i.e., supervisory, middle- management, and executive levels. Marketing management decisions are based on strong knowledge of marketing functions and clear understanding and application of supervisory and managerial techniques. Marketing managers and product managers are there to execute the processes of marketing management. We, as customers, see the results of such process in the form of products, prices, advertisements, promotions, etc.
3. **Marketing Management is Both Science and Art** : Marketing management is art and science of choosing target markets and getting, keeping and growing customers through creating, delivering and communicating superior customer value. Marketing management is a science because it follows general principles that guide the marketing managers in decision making. The Art of Marketing management consists in tackling every situation in a creative and effective manner. Marketing Management is thus a science as well as an art.

Q.6. Explain the various functions of marketing management.

Ans. Functions of Marketing Management

Following are the various major functions of marketing management :

1. **Marketing Research** : Marketing research is the careful study of the product's design, markets, and other activities. It aims to provide management with factual information as a basis for marketing decisions and actions. In the following areas, marketing management helps management to develop policies: products, markets, marketing policies, and sales methods.
2. **Product Planning Development** : It is the act of supervising the search for products, screening development, and commercialising new products, refitting existing lines, and closing down the unprofitable business. Businesses must satisfy consumers' wants and needs for their long-lasting existence, assured by offering products and services that meet consumer requirements. Therefore, product planning is a very important function.
3. **Standardisation and Grading** : Standardisation is the process of setting up standards and producing products in adherence to those standards and also includes the process by which this conformity is assured. Therefore, it confirms the uniformity of the product's size, shape, design, colour, and physical properties. Grading is the process of storing goods in several grades or classes.
4. **Product Pricing** : One of the crucial decisions is the product's pricing, as it affects all the parties involved in production, distribution, and consumption. The price of the product affects the volume of production and the amount of profit of a product. A marketing manager has to make decisions on pricing very crucially.
5. **Marketing Objectives** : Marketing management determines the marketing objectives. The marketing objectives may be short term or long term and need a clear approach. They have to be in coherence with the aims and objectives of the organisation.
6. **Planning** : After objectively determining the marketing objectives, the important function of the marketing management is to plan how to achieve those objectives. This includes sales forecast, marketing programmes formulation, marketing strategies.
7. **Organising** : A plan once formulated needs implementation. Organising functions of marketing management involves the collection and coordination of required means to implement a plan and to achieve pre-determined objectives. The organisation involves structure of marketing organisation, duties, responsibilities and powers of various members of the marketing organisation.
8. **Coordination** : Coordination refers to harmonious adjustment of the activities of the marketing organisation. It involves coordination among various activities such as sales forecasting, product planning, product development, transportation, warehousing etc.
9. **Direction** : Direction in marketing management refers to development of new markets, leadership of employees, motivation, inspiration, guiding and supervision of the employees.
10. **Control** : Control refers to the effectiveness with which a marketing plan is implemented. It involves the determination of standards, evaluation of actual performance, adoption of corrective measures.
11. **Staffing** : Employment of right and able employees is very crucial to success of a market plan. The market manager coordinates with the Human Resource Manager of an organisation to be able to hire the staff with desired capability.
12. **Analysis and Evaluation** : The marketing management involves the analysis and evaluation of the productivity and performance of individual employees.

Q.7. Discuss the evolution and development of marketing.

Ans. Evolution and Development of Marketing

Following points highlight the evolution and development of marketing :

- 1. Neolithic period or Self-sufficient Stage :** After nomadic period of new stone age agriculture and domestic animals appeared. This had led to starting of economic activities i.e., agrarian activities. But in such an agrarian economy, the family units were small and the people were self-sufficient, growing their own food, making their own clothes and building their own shelters. In this way, they produced what they wanted to consume and practically no surplus was available to initiate the process of exchange. So, in this age the concept of marketing was absent.
- 2. Exchange-oriented Stage :** In this age of civilisation, people started to settle permanently on the banks of rivers for agricultural activities. People continuously engaged in agricultural activities and the problem of surplus production came. This necessitated exchange of surplus products with other things.
This stage faced a problem that, searching for those who had surplus of something they needed. In searching others, it became necessary to enter into negotiation to arrive at some agreeable terms of exchange. In order to smooth out exchanges, 'Barter System' (Exchange without using money) came into vogue and originated the practice of personal selling.
It was gradually realised that exchange will take place smoothly when products are brought to a central location or place. Thus, 'Markets' came into existence, where goods were brought from nearby areas for sale. The appearance of specialisation in selling and exchange may be considered the first stage in evolution of Marketing.
- 3. Production-oriented Stage :** In the era of Industrial Revolution, there was a growth of factories in urban areas. These factories produced goods on large scale by automatic machines. It was believed that if the product is of quality and priced reasonably, nothing would prevent the producers from achieving satisfactory sales and profit. In this stage producers gave more emphasis to production rather than consumption and customer satisfaction as the ultimate goal of marketing.
- 4. Sales-oriented Stage :** Under this concept the greater emphasis was on increasing the sales than our customer satisfaction. In 1930s the great depression ('Tisa-ki-Mandi') came and in this stage the main problem was not production but how to sell it. Hence, in this stage every producer started to applying marketing activities with promotional efforts.
- 5. Marketing-oriented Stage :** This stage known as market-oriented stage based on the concept that, "The aim of marketing is to know and understand the customers so well that the product or service fits him and sells itself." It was thus formally approved that, firms started marketing the product rather than selling the product. The production of product and services based on consumer's needs.
- 6. Consumer-oriented Stage :** In this stage, it was realised that only measuring consumer needs or behaviour was not enough but consumer satisfaction is must. 'Consumer Satisfaction' should be the real and correct prospective on which marketing strategies of an organisation should be built.

Q.8. Discuss in detail the recent trends or innovations in modern marketing.

Ans. Recent Trends or Innovations in Modern Marketing

Following are some recent trends in modern marketing :

1. **Meta-Marketing** : Meta Marketing is to designate a new, although related discipline which deals critically with marketing as a discipline. The word 'Meta' is being used to mean 'beyond' as in Metaphysics. The concern of Meta-Marketing is to focus all scientific, social, ethical and managerial experiences on marketing. It is an attempt to widen the horizons of marketing by covering non-business organisations like, NGOs, temples, Universities, etc.
2. **Demarketing** : Demarketing is an attempt to match excess demand to the available supply without affecting the legitimate interests of consumers. It is regulation of demand to the supply capacities of firms. In underdeveloped countries excess demand is a main problem. Here, demarketing, makes equilibrium in excess demand and available supply through reduce the level of total demand without alienating loyal customers. According to Prof. Philip Kotler and Prof. S. J. Levy, "The Marketing task is not blindly to increase in demand but to regulate the level and shape of demand so as to conform it to the organisation's current supply situation and to its long run objectives, because there is no danger in damaging customer relations in any demarketing strategy." Thus, 'demarketing' is the "marketing concept in reverse".
3. **Remarketing** : The extension of strategic marketing is termed as remarketing. It is an attempt to find new uses for existing products and creation of new users. Thus, in real sense remarketing is a method by which new types of satisfaction are created for old products.
4. **Over Marketing** : It aims to generate increased sales while neglecting quality control, production efficiency and cash flow management. Over marketing concept is selling by all means not caring for quality. It is in case of "down trading".
5. **Counter Marketing** : This concept concentrates on an attempt to kill the demand for goods and services that harm the interests of society by supplying alternatives. For example, it ensures supply of eco-friendly pesticides, wormicides, drugs, medicines, hot drinks in place of powerful pesticides, wormicides, fertilizers, drugs, etc.
6. **Green Marketing** : It stands for protection of eco-system through eco-friendly products such as paper bags, less pollutant cars, bio-degradable products, razing trees in forest, bio-sheeds cultivation. These man-made problems of environmental imbalances are having impact on every human activity.
7. **Viral Marketing** : It refers to a type of marketing technique which induces websites or users to pass on a marketing message to other sites or users, creating a potentially exponential growth in the message's visibility and effect. Viral marketing can be effective as a stand-alone tool or as part of a larger marketing campaign. It can be used by both large and small companies, but can be especially attractive to smaller business, as it can be more cost-effective than traditional marketing efforts. Viral marketing has been used by energy drink companies, movies and even political campaigns to generate marketing buzz.

Q.9. What are micro environmental factors? Explain.

Ans. Micro Environmental Factors

Following are the various micro environmental factors :

1. **Customers** : Each marketing strategy is customer oriented that focuses on understanding the need of the customers and offering the best product that fulfills their needs. The customer of a company may be of five types: (i) Ultimate Consumers (ii) Industrial Consumers (iii) Intermediaries Consumers (iv) Government Consumers (v) International Consumers.
2. **Employees** : The main component of a business are its employees who contributes significantly to its success. The quality of employees depends on the training and motivation sessions given to them. Thus, Training and Development is crucial to impart marketing skills in an individual.
3. **Suppliers** : Suppliers are the persons from whom the material is purchased to make a finished good and hence are very important for the organization. It is crucial to identify the suppliers existing in the market and choose the best that fulfills the firm's requirement.
4. **Retailers and Distributors** : The channel partners play an imperative role in determining the success of marketing operations. Being in direct touch with customers they can give suggestions about customer's desires regarding a product and its services.
5. **Competitors** : By watching competitors a company may design its marketing strategy according to the trend prevailing in the market. In changing scenario identification and monitoring of competitors is very important. Philip Kotler has explained the types of competition (Desire, Generic, Firm and Brand Competitions) and has summarized by pointing out that "A company must keep four basic dimensions in mind, which can be called the four C's of market, i.e. customers, channels, competitors, and its own characteristics as a company. Thus, competitors affect marketing decisions of a company."
6. **Shareholders** : Every firm has an objective of maximizing its shareholder's wealth because they are the owners of the company. Thus, marketing activities should be undertaken keeping in mind the returns to shareholders.
7. **Government** : The Government departments make several policies viz. Pricing policy, credit policy, education policy, housing policy, etc., that do have an influence on the marketing strategies. A company has to keep track on these policies and make the marketing programs accordingly.
8. **General public** : The business has some social responsibility towards the society in which it is operating. It is very much necessary to satisfy the public. According to Philip Kotler, "Companies must put their primary energy in to effectively managing their relationship with their customers, distributors and suppliers, their overall success will be affected by how other public in the society view their activity." Thus, all the marketing activities should be designed that result in increased welfare of the society as a whole.

Q.10. Discuss the need and importance of environmental analysis.

Ans. Need of Environmental Analysis

Following points highlight the need and importance of environmental analysis :

1. **Determines Strength** : Strength of the business firm means capacity of the firm to gain advantage over its competitors. Analysis of internal business environment helps to identify strength of the firm. After identifying the strength, the firm must try to

consolidate or maximize its strength by further improvement in its existing plans, policies and resources.

2. **Determines Weakness** : Weakness of the firm means limitations of the firm. Monitoring internal environment helps to identify not only the strength but also the weakness of the firm. A firm may be strong in certain areas but may be weak in some other areas. For further growth and expansion, the weakness should be identified so as to correct them as soon as possible.
3. **Identification of Opportunities** : Environmental analysis helps to identify the opportunities in the market. The firm should make every possible effort to grab the opportunities as and when they come.
4. **Helps in Determining Threat** : Business is subject to threat from competitors and various factors. Environmental analyses help them to identify threat from the external environment. Early identification of threat is always beneficial as it helps to diffuse off some threat.
5. **Assists in Optimum Use of Resources** : Proper environmental assessment helps to make optimum utilization of scarce human, natural and capital resources. Systematic analyses of business environment helps the firm to reduce wastage and make optimum use of available resources, without understanding the internal and external environment resources cannot be used in an effective manner.
6. **Survival and Growth** : Systematic analysis of business environment helps the firm to maximize their strength, minimize the weakness, grab the opportunities and diffuse threats. This enables the firm to survive and grow in the competitive business world.
7. **Planning Long-term Business Strategy** : A business organization has short term and long-term objectives. Proper analysis of environmental factors helps the business firm to frame plans and policies that could help in easy accomplishment of those organizational objectives. Without undertaking environmental analysis, the firm cannot develop a strategy for business success.
8. **Assists in Decision-making** : Decision-making is a process of selecting the best alternative from among various available alternatives. An environmental analysis is an extremely important tool in understanding and decision-making in all situation of the business. Success of the firm depends upon the precise decision making ability. Study of environmental analyses enables the firm to select the best option for the success and growth of the firm.

Q.11. Discuss the scope of consumer behaviour.

Ans. Scope of Consumer Behaviour

Consumer behaviour focuses on how individuals make decisions to spend their available resources on consumption related items. Following points highlight the scope of consumer behaviour :

1. **Consumer Behaviour and Consumer Education** : Consumer also stands to benefit directly from orderly investigations of their own behaviour. This can occur on an individual basis or as part of more formal educational programs. For example, when consumers learn that a large proportion of the billions spent annually on grocery products is used for impulse purchases and not spend according to pre planned shopping list, consumers may be more willing to plan effort to save money. In general, as marketers that can influence consumers' purchases, consumers have the opportunity to understand better how they affect their own behaviour.

2. **Consumer Behaviour and Non-Profit and Social Marketing :** In today's world even the non-profit organisations like government agencies, religious sects, universities and charitable institutions have to market their services for ideas to the "target group of consumers or institution." At other times these groups are required to appeal to the general public for support of certain causes or ideas. Also they make their contribution towards eradication of the problems of the society. Thus a clear understanding of the consumer behaviour and decision making process will assist these efforts.
3. **Consumer Behaviour and Government Decision Making :** In recent years the relevance of consumer behaviour principles to government decision making. Two major areas of activities have been affected :
 - (i) **Government Services :** It is increasingly and that government provision of public services can benefit significantly from an understanding of the consumers, or users, of these services.
 - (ii) **Consumer Protection :** Many agencies at all levels of government are involved with regulating business practices for the purpose of protecting consumer's welfare.
4. **Consumer Behaviour and Demarketing :** It has become increasingly clear that consumers are entering an era of scarcity in terms of some natural gas and water. These scarcities have led to promotions stressing conservation rather than consumption. In other circumstances, consumers have been encouraged to decrease or stop their use of particular goods believed to have harmful effects. Programs designed to reduce drug abuse, gambling and similar types of conception examples. These actions have been undertaken by government agencies non- profit organizations and other private groups. The term "Demarketing" refers to all such efforts to encourage consumers to reduce their consumption of a particular product or services.
5. **Consumer Behaviour and Marketing Management :** Effective business managers realize the importance of marketing to the success of their firm. A sound understanding of consumer behaviour is essential to the long run success of any marketing program. The essence of the marketing concept is seen in three interrelated factors like consumers, their needs and wants and company integrated strategy.

Q.12. Explain the various factors that influence consumer buying behaviour.

Ans. Factors Influencing Consumer Buying Behaviour

Main factors that determine the consumer buying behaviour are as follows :

Economic Determinants

Economic determinants are directly related with income sources of consumer. The basic economic determinants are :

1. **Personal Income :** Any change in income will have change in consumer buying decision. Decline in income reduces the consumer spending; however, when income rises, consumer spending not only rises but makes them to go in for more of luxuries.
2. **Family Income :** In joint family, the family income always has an effect on the buyer behaviour. The relationship between the family, size of family, requirements and aggregate income of family determines the buying behaviour of the family members.
3. **Income expectations in Future :** Future income expectations of consumer determines consumer behaviour. It is the optimism or the pessimism about consumer income that determines the level of current spending. If there are bleak prospects of future expected income, he spends less now and saves more and *vice-versa*.

4. **Consumer Credit** : A consumer behaviour depends upon the availability of credit. Consumer credit takes number of shapes like instalment purchasing, deferred payment, hire-purchase arrangements and the like. Easy availability of consumer credit makes the consumer to spend more freely.
5. **Standard of Living** : Consumer behaviour is also affected by standard of living. Higher income groups focus on quality of product but lower income groups or middle income groups who represent below standard of living, focus on durability of goods. In this way, it influences consumer buying behaviour.

Psychological Determinants

The major psychological determinants are as follows :

1. **Motivation** : Motivation refers to the drives, urges, wishes or desires which initiate the sequence of events known as behaviour. A set of motives affects a buyer's behaviour. Marketer uses depth interviews, projection and other methods to know and understand the motives of buyer.
2. **Perception** : Perception is the process by which the mind receives, organises and interprets information. Different people perceive the same thing at the same time in different ways. The personal factors of perception are his self-concept, need, span of apprehension, mental set and past experiences. These factors affect consumer behaviour.
3. **Learning** : Learning is the process of acquiring knowledge. Consumer behaviour is a process of learning because, it is modified according to the consumer's past experience. Consumer learns through advertisements, sales person's information and using products also. So, learning has deep impact on consumer buying process.
4. **Attitudes** : Attitudes refer to a pre-disposition to behave in a particular way when presented with a given stimulus and the attitudes towards people, place, products and things can be positive or negative. Attitudes play a significant role in determining consumer behaviour. **For example**, a consumer having strong negative attitudes towards a firm's products not only avoids to use it but also urges friends and society to do so.
5. **Personality** : Personality consists of a person's popularity, friendliness or charismatic style. An individual's personality is the outcome of heredity and personal experiences. Personality determines the consumer behaviour in selection of the brand and products purchased.

Sociological Determinants

Sociological determinants are :

1. **Family** : The decisions made by family are affected by the desires, attitudes and values of other family members. In nuclear families, house- wife makes family purchases, i.e., related to food, clothing, cosmetics, interior decoration and jewelleryes. On the other hand, in joint family head of family takes buying decision.
2. **Reference Groups** : Each person in the society is not only the member of his family but the member of some group or groups outside the family circle. These groups can be called as 'reference groups'. Reference groups is a social and professional group that influences the individual's opinions, beliefs and aspirations.
3. **Opinion Leader** : Opinion leaders or influential play a vital role in influencing the buying behaviour of their followers. The beliefs, preferences, attitudes, actions, and

behaviour of the group leader set a trend and a pattern for others to follow. The group of followers respects him and looks up to him. Marketer very often tries to catch hold of opinion leaders through aids and other means of communication.

4. **Social Class and Caste** : Social class and caste often influences consumer behaviour. Social class has an impact on spending capacity, habits, quality and quantity of products. Each class and caste develops its own standards of style, living and behaviour patterns. For example, a particular caste selects a particular brand of product, like in ancient time only 'Kshatriya' uses '*Dhanush* and *Baan*'. The major social classes are six. According to *Philip Kotler* these are : (i) Upper uppers, (ii) Lower uppers, (iii) Upper Middles, (iv) Lower Middles, (v) Upper Lower and (vi) Lower Lower. These segments of society directly affect buying behaviour

Personal Determinants

A buyer's purchase decision is also influenced by personal factors. These include the buyer's age and stage in the life cycle, occupation, economic circumstances lifestyle, personality and self-concept.

1. **Age and Stage in the Life Cycle** : The buying behaviour of consumers is determined strongly by their age-group and life cycle stage. For example, the buying preferences regarding cloths, accessories and recreation of children are going to be different than young people and mature people. Hence, it becomes important for marketers to understand such age related differences as it helps them in segmenting the marketing accordingly and positioning the product therein.
2. **Occupation and Economic Circumstances** : The choices of product are greatly affected by economic circumstances of consumers as it determines their purchasing power while the purchasing power of an individual gets affected by various factors, such as, their disposable income, savings, debts, borrowing power and attitude towards spending versus saving. On the other hand, a person's buying behaviour strongly affected by the type of occupation they are in. It does make a difference in their purchase as it is reflected in their economic circumstances as well. So that, marketers try to identify certain occupational groups and segment their market accordingly.
3. **Lifestyle** : People from the same subculture, social class and occupation may lead quite different lifestyle. According to **Philip Kotler** (1999)- "a lifestyle is the person's pattern of living in the world as expressed in their activities, interests and opinions". It portrays the 'whole person' interacting with his or her environment. So that, it is very important to search for relationships between their products and lifestyle groups for appropriate positioning strategies.
4. **Personality and Self-concept** : Personality means distinguishing psychological characteristics that lead to relatively consistent and enduring response to environment. Personality is usually described in terms of certain traits, such as self-confidence, dominance, authority, aggressiveness, shyness, dynamism, security, introversion, flexibility, friendliness and adaptability. Hence marketers have to learn to give their products a certain image which can match with the personality of their target customers.

Q.13. State the definitions of marketing mix. Also discuss various elements of marketing mix.

Ans. Definitions of Marketing Mix

Following are the major definitions of marketing mix :

1. According to McCarthy, "Marketing is the pack of four sets of Variables namely-Product Variables, Price Variables, Promotion Variables and Place Variables."
2. As per Philip Kotler, "The firm's task is to find the best solution for its marketing decision variables; the setting constitutes decision variables; the setting constitutes its 'Marketing Mix'."
3. J. Stanton states that, "Marketing-Mix is the term used to describe the combination of the four inputs which constitute the core of company's marketing system- the product, the price structure, the promotional activities and the distribution system."
4. According to Kelley and Lazar, "The Marketing-Mix is composed of a large battery of devices which might be employed to induce customers to buy a particular product."
5. R.S. Davor opines, "The policies adopted by manufacturers to attain success in the market constitute the marketing mix."

Elements of Marketing Mix

The elements of marketing mix are described below :

1. **Product** : It helps in providing psychological and physical satisfaction to the buyer. Product component of the marketing mix involves planning, developing and producing the right type of products and services. It deals with the product range, durability and other qualities. In short, product mix decision involves about (a) quality of the product (b) size and weight of the product (c) volume of production (d) brand name (e) Packing (f) product range (g) warranties and after-sales services, etc.
2. **Price** : The value of product expressed in terms of money is termed as its price. Fixation of Right Price' is one of the most difficult tasks of the Marketing Manager. A lot of exercise and innovation is required to determine the price of the product that will enable the firm to sell its products successfully. In the determination of price the important factors that must be taken into consideration are-Demand, Cost, Competition, Quality, Government policies, etc.
3. **Promotion** : Promotion concerned with bringing products to the knowledge of customers and persuading them to buy. In other words, marketing promotion is a management process through which organisation provides information and persuading the customers regarding product. Promotion Mix involves decision with respect to advertising, personal selling and sales promotion.
A management faces a difficult task, a most effective promotional input and optimising the expenditure on it. While devising a promotional plan type of customers, nature of product, budget for promotion, demand, etc., should be taken into consideration.
4. **Place or Distribution** : The concept of marketing mix concentrates choice of place where products are to be displayed and made available to the customers. The selection of trade channels (ie., wholesalers and retailers) through which the products should be displayed and made available to the customers at the right time through proper transportation is the prime responsibility of Marketers. In this order a marketer has to make decisions for determination of distribution mix or marketing logistics and mode of transportation.

Q.14. Elaborate the four P's of marketing mix.

Ans. Four P's of Marketing Mix

The marketing mix is one of the most famous marketing terms. The marketing mix is the tactical or operational part of a marketing plan. The marketing mix is also called the 4Ps and the 7Ps. The 4Ps are price, place, product and promotion. The services marketing mix is also called the 7Ps and includes the addition of process, people and physical evidence.

In 1960, Edmund Jerome McCarthy came up with the concept of the 4Ps of marketing mix. The structured contained :

1. **Product**
2. **Price**
3. **Place**
4. **Promotion**

This framework was an adequate framework for the time which focused on products. As the economy developed and more service-based organizations started to rise. The 4Ps of the marketing mix got an update from Booms and Bitner in 1981. There are discussed as follows :

1. **Product** : It is either a tangible good or an intangible service that is seem to meet a specific customer need or demand. All products follow a logical product life cycle and it is vital for marketers to understand and plan for the various stages and their unique challenges. It is a key to understand those problems that the product is attempting to solve. The benefits offered by the product and all its features need to be understood and the unique selling proposition of the product need to be studied. In addition, the potential buyers of the product need to be identified and understood.
2. **Price** : Generally, it is the actual amount the end user is expected to pay for a product. How a product is priced will directly affect how it sells. This is linked to what the perceived value of the product is to the customer rather than an objective costing of the product on offer. If a product is priced higher or lower than its perceived value, then it will not sell. This is why it is imperative to understand how a customer sees what you are selling. If a product having positive customer value, than a product may be successfully priced higher than its monetary value. Conversely, if a product has little value in the eyes of the consumer, then it may need to be underpriced to sell. Price may also be affected by distribution plans, value chain costs and markups and how competitors price a rival product.
3. **Place** : Place or placement has to do with how the product will be provided to the customer. Distribution is a key element of placement. The placement strategy will help assess what channel is the most suited to a product. How a product is accessed by the end user also needs to compliment the rest of the product strategy.
4. **Promotion** : The marketing communication strategies and techniques all fall under the promotion heading. These may include advertising, sales promotions, special offers and public relations. Whatever the channel used, it is necessary for it to be suitable for the product, the price and the end user it is being marketed to. It is important to differentiate between marketing and promotion. Promotion is just the communication aspect of the entire marketing function.

Q.15. Explain the importance of marketing mix.

Ans. Importance of Marketing Mix

The following points explain the importance of marketing mix :

1. **Assists to Being Dynamic** : A company which is well prepared is also prepared when disaster strikes. During recession or during a poor business environment, a company should be ready to respond. At such times, the company needs to be dynamic in nature. Such a company needs to understand its product, processes, people, promotions and all other P's better. If it understands them, it will respond with a better way. Thus, there are many ways that marketing mix may be important to an organization. The best part is, analysing and understanding the marketing mix.
2. **Assists in New Product Development** : While designing an existing product, there are so many ideas which can come up for a related product that can be designed by the company. The pricing, place and promotions might be different for such a product. However, it can be classified as a new product and hence while designing the marketing mix, the company can come up with good ideas for new product development as well.
3. **Helps in Increasing the Product Portfolio** : Whenever we want to increase the product depth or product line and length, we have to make minor changes to the product. In essence, we are making minor changes in the marketing mix itself. We are making changes to the product features, to its pricing and possible to its promotions. As a result, by altering the marketing mix and certain features within it, we can end up with an enlarged product portfolio.
4. **Assists in Improving a Business** : Physical evidence was an important P in the service marketing mix. If a restaurant or an interior design business realises its importance, then naturally they can act on it and improve the physical evidence of their business thereby bringing in more business.
The importance of marketing mix is marked in more than a single P. People and process are important to the organization too and optimizing both can improve the overall working of the organization. Hence, marketing mix is an excellent guide if someone wants to improve their business.
5. **Assists in Differentiation** : When we analyse the marketing mix of competitors, there are many different ways that we can differentiate ourselves from the competitor. The competitor might have poor promotions and by analysing them, we can create better promotions of our own product.
The competitor might have poor placement of products or he might have the wrong process or the wrong people in place. All this can be improved upon giving a better marketing mix and therefore we enjoy with a competitive advantage in the market.
6. **Assists in a Solid Mix Creation** : Firm's marketing mix should have all the P's compatible with each other. The price should be compatible with the placement of the product. The product should be compatible with the promotions. In general, all the P's are essentially linked to each other.
As a result, when we are making a marketing mix, it becomes a chain of strong bonds and whenever we are considering adding a new feature or changing existing things, we have to look at the overall picture, which helps in creating a clean marketing mix for the product.

Q.16. Discuss the various types of consumer behaviour models.

Ans. Types of Consumer Behaviour Model

Consumer behaviour models can be broadly classified into four following categories :

1. **Economic Theories or Models :** According to Economic Theories or Models, the buyer is a rational animal and his buying decisions are finalised on the basis of utility of the product. He will allocate the amount over purchase of products in a very rational manner with a very clear intention of maximising the utility of the product. Under this group there are two important theories :
 - (a) **Marginal Utility Theory :** Marginal utility theory has been propounded by classical economists. According to them, a consumer will continue to buy the products in a rational manner and purchase decisions depend on maximum utility and maximum satisfaction at relative product prices.
However, the Marketers do not accept this theory because it does not explain about brand preferences and product preferences.
 - (b) **Income and Saving Theory :** This theory is based on the assumption that, the purchasing power of consumers the actual determinant of buying behaviour. On the other hand, the purchasing power totally depends on 'disposable income' (Income left after tax and saving). The marketers are interested in examining the effect of changes in Income on spending and saving as this will have direct bearing on buying habits. The theory states that, spending and saving have direct relationship with Income. In certain situations, spending rises faster than Income and at certain other times, a higher proportion may be saved.
However, this theory does not explain consumer behaviour in specific terms, the concept is used in planning and analysis of demand.
2. **Psychological Theories or Models :** Psychological theories or Models based on the assumption that, consumers learn from past experience and their actions on future occasions are modified in accordance with past experience. These models are also called as 'Learning Theories'.
All theories of consumer behaviour have been based on a learning model namely, Stimulation-Response or more popularly known as SR Model. In modern marketing the study of human behaviour totally depends on learning, which refers to a change in the behaviour that results from previous experience and behaviour in similar situations. Modern Psychologists say that buyer behaviour is capable of being manipulated by human drives, stimuli and response of the buyer. Learning process involves three steps namely :
 - (a) **Drive :** A strong internal stimulus which impels action. A drive motivates a person for action to satisfy the need.
 - (b) **Cues :** When buyer will respond to such a product from existing marketing and social environment is called cues. Cues are weak stimuli which satisfy our drives.
 - (c) **Response :** Response is the final stage which is needed to fulfill the drive or a need which was acting as a strong stimulus.
3. **Psycho-analytic Theories or Models :** As per Sigmund Freud, Personality has three basic dimensions--the 'id', the 'ego' and the 'Super ego'. The consumer behaviour is a function of the interaction of these three systems. The id refers to the free mechanism that tends to strong motives. Such motives are not influenced by morality or ethics. Ego refers to the act of weighing consequences and tries to match with reality. Ego is an equilibrating device that leads to socially acceptable behaviour and imposes rationality on the id. Super ego is conscience of a person. The Super Ego presents the moral issues involved and the ego acts as the arbitrator in determining whether to

proceed or not. In the advertising and packaging fields this theory has, contributed some useful insights.

4. **Socio-Cultural Theories or Models** : As per this model the man is primarily social animal and his wants and behaviour are largely influenced by group of which he is a member. The tendency of all people for purchase of goods greatly depends on society in spite of their likes and dislikes. For example, a Luxury goods (Car, A. C., Sound System etc.) are purchased because such goods have already been purchased by his neighbour or friends or colleague etc. This theory was invented by Thorstein Veblen that's why it is also called Veblenian Model.

MULTIPLE CHOICE QUESTIONS

Q.1. The term 'market' has been derived from word 'marcatus'.

- (a) Latin (b) English
(c) German (d) None of these

Ans. (a) Latin

Q.2. The term 'meta-marketing' was developed by :

- (a) Prof. A.K. Mishra (b) Dr. Thomson
(c) Prof. E.J. Kelly (d) None of these

Ans. (c) Prof. E.J. Kelly

Q.3. is the careful study of the product's design.

- (a) Marketing research (b) Branding
(c) Advertising (d) None of these

Ans. (a) Marketing research

Q.4. It stands for protection of eco-system through eco-friendly products.

- (a) Over marketing (b) Meta marketing
(c) Green marketing (d) Blue marketing

Ans. (c) Green marketing

Q.5. Which of the following is/are the economic theories of consumer behaviour?

- (a) Marginal utility theory (b) Income and saving theory
(c) Both (a) and (b) (d) None of these

Ans. (c) Both (a) and (b)

Q.6. This theory has been propounded by classical economists :

- (a) Marginal utility theory (b) Physical theory
(c) James theory (d) None of these

Ans. (a) Marginal utility theory

Q.7. The 4Ps of the marketing mix got an update from Booms and Bitner in :

- (a) 1980 (b) 1981 (c) 1982 (d) 1983

Ans. (b) 1981

Q.8. The of product expressed in terms of money is termed as its price.

- (a) quantity (b) value
(c) quality (d) None of these

Ans. (b) value

Q.9. Who said that “the policies adopted by manufacturers to attain success in the market constitute the marketing mix”?

- (a) R.S. Davor (b) Mc. Carthy (c) Stanton (d) Williamson

Ans. (a) R.S. Davor

Q.10. In the service industry how many Ps comprise the marketing mix?

- (a) 4 Ps (b) 7 Ps (c) 10 Ps (d) 8 Ps

Ans. (b) 7 Ps

Q.11. Which one is not a part of the 4 Ps?

- (a) Product (b) People (c) Price (d) Place

Ans. (b) People

Q.12. Who is the Father of Modern Marketing?

- (a) Philip Kotler (b) Peter F Drucker
(c) Abraham Maslow (d) Raymond Kroc

Ans. (a) Philip Kotler

Q.13. Who defined marketing as the science and art of exploring, creating and delivering value to satisfy the needs of a target market at a profit?

- (a) Steve Jobs (b) Philip Kotler
(c) Peter Drucker (d) Abraham Maslow

Ans. (b) Philip Kotler

Q.14. The term “Marketing” refers to :

- (a) promotion of the product
(b) focusing on sales and profit
(c) strategizing and implementing the organization process
(d) set of activities to deliver customer value and satisfaction

Ans. (d) set of activities to deliver customer value and satisfaction

Q.15. Different price points for a different level of quality for a company’s related products is a part of which pricing strategy?

- (a) Product line pricing (b) Incremental pricing
(c) Optional product pricing (d) By-product pricing

Ans. (a) Product line pricing

Q.16. In today’s time marketing must be understood and developed as :

- (a) getting the first mover’s advantage (b) creating value for the customers
(c) pushing for higher sales and profits (d) creating innovative products

Ans. (b) creating value for the customers

Q.17. Which one of these is an appropriate definition of “want”?

- (a) The desires of consumers (b) Needs related to society
(c) Basic human needs (d) Needs directed to the product

Ans. (d) Needs directed to the product

Q.18. In the evolution of marketing the production period ended in :

- (a) late 1800s (b) after the second world ward
(c) in the 1920s (d) early 20th century

Ans. (c) in the 1920s

Q.19. According to Philip Kotler marketing is :

- (a) a science (b) an art (c) Both (a) and (b) (d) None of these

Ans. (c) Both (a) and (b)

Q.20. Which concept holds that consumers will favor the products that are easily available at an affordable price?

- (a) Production concept (b) Product concept
(c) Marketing concept (d) Production cost concept

Ans. (b) Product concept

Q.21. Which period worked on the marketing philosophy of "A good product will sell itself"?

- (a) Marketing (b) Production (c) Sales (d) Relationship

Ans. (b) Production

Q.22. Which of the following describes "diversification"?

- (a) New products in new markets
(b) New products in existing markets
(c) Existing products in an existing market
(d) Existing products in new markets

Ans. (a) New products in new markets

Q.23. Which traits are desired of marketers today?

- (a) Only creativity
(b) Only critical thinking
(c) Both creativity and critical thinking
(d) Neither creativity nor critical thinking

Ans. (c) Both creativity and critical thinking

Q.24. What is motive development?

- (a) The imbalance between the customer's actual and desired state in which gap or problem solving is recognized
(b) The gap between the customer's current state and past state
(c) The balance between the customer's actual and desired state
(d) The gap between the customer's and his colleague's current state

Ans. (a) The imbalance between the customer's actual and desired state in which gap or problem solving is recognized

Q.25. Producers, wholesalers and retailers act as a unified system to form a :

- (a) vertical marketing system (b) horizontal marketing system
(c) traditional marketing system (d) hierarchical marketing system

Ans. (a) vertical marketing system

UNIT-II

Market Selection

SECTION-A (VERY SHORT ANSWER TYPE QUESTIONS)

Q.1. Discuss the term 'market segmentation'.

Ans. The process of grouping buyers into different categories having common desires or needs is termed as market segmentation. It is a method of dividing a large market into smaller groupings of consumers in which each segment has common characteristics such as need or behaviour. In other words, Market Segmentation is a process of dividing the market of potential customers into different groups and segments on the basis of certain characteristics. The members of these groups share similar characteristics and usually have one or more than one aspect common among them.

Q.2. Discuss the disadvantages of market segmentation.

Ans. Following are the major disadvantages of market segmentation :

1. Market segmentation is more costly.
2. It is a time-taking process.
3. Every organisation has to develop a promotion strategy for each market segment. This results in mounting promotion cost.
4. The firm must maintain increased buffer stock for normal demand and increased safety stock for unpredicted demand. It tends to high inventory cost.
5. Many organisations employ specialised services of a product or market manager whose main responsibility is to develop and monitor marketing strategies. Thus, it increases the managerial cost.

Q.3. What do you mean by target marketing?

Ans. Target Marketing involves breaking a market into segments and then concentrating our marketing efforts on one or a few key segments consisting of the customers whose needs and desires most closely match our product or service offerings. It can be the key to attracting new business, increasing our sales, and making our business a success.

The objective of target marketing is to make the promotion, pricing, and distribution of products and/or services easier and more cost-effective by aiming our marketing efforts at specific groups of consumers.

Q.4. What do you mean by the term 'market positioning'?

Ans. Market positioning refers to the process of establishing the image or identity of a brand or product so that consumers perceive it in a certain way. In other words, it is an effort to influence consumer perception of a brand or product relative to the perception of competing brands or products. Its objective is to occupy a clear, unique, and advantageous position in the consumer's mind.

Q.5. Define the term 'product'.

Ans. 1. "A product is a complex of tangible and intangible attributes, including packaging, colour, price, manufacture's prestige, retailer's prestige and manufacturer's and retailer's services, which the buyer may accept as offering satisfaction of wants or needs."

—William J. Stanton

2. "A product is anything that can be offered to a market to satisfy a need or want."

—Philip Kotler

3. "A product is a bundle of utilities consisting of various product features and accompanying services."

—W. Alderson

4. "Product is a cluster of psychological satisfaction."

—George Fisk

5. "A product may be regarded from the marketing view-point as a bundle of benefits which are being offered to the consumer."

—R. S. Davar

Q.6. What are consumer goods?

Ans. Consumer goods are those products which are used by ultimate consumer or last consumer, e.g., toothpaste, soap, shampoo, book, pen etc. The American Marketing Association has defined the consumer goods as "Goods destined for use by the ultimate consumers or household and in such form that they can be used without commercial processing."

Q.7. What do you mean by industrial goods?

Ans. Industrial goods are those products which are used primarily in producing other goods or rendering services in the operation of a business organisation. According to American Marketing Association, "Goods which are destined to be sold primarily for use in producing other goods or rendering services as contrasted with goods destined to be sold primarily to the ultimate consumers."

Q.8. What are durable and non-durable goods?

Ans. Durable Goods : Durable goods are those goods that remain in use longer time and tangible also. For example, A. C., Refrigerators, Vacuum Cleaners, T. V., etc.

Non-Durable Goods : Non-durable goods are those which normally consumed with one or few users. These goods are also called, as 'Fast Moving Consumer Goods (FMCG). For examples: Soaps, toothpaste, soft drinks, food-items, etc.

Q.9. Define the term 'product life cycle'.

Ans. Some important definitions of product life cycle are :

1. "The Product Life Cycle is an attempt to recognize distinct stages in the sales history of the product."

—Philip Kotler

2. "Life-cycle of market offering stages of market acceptance through which a market offering passes from introduction to its market death. The stages of market offering's life-cycle are market introduction, market growth, market saturation, market decline and market death."

—Lipson and Darling

3. "The life-cycle of a product has many points of similarity with the human life cycles; the product is born, grown lustily, attains dynamic maturity, than entry its declining years."

—Arch Patton

Q.10. What do you mean by the term 'product planning'?

Ans. Product planning is the process of searching ideas for new products, screening them systematically, converting them into tangible products and introducing the new product in

the market. It also involves the formation of product policies and strategies. It includes improvements in existing products as well as deletion of unprofitable or marginal products. It also encompasses product design and engineering which is also called product development. Product planning comprises all activities starting with the conception of product idea and ending up with full scale introduction of the product in the market.

Q.11. What is meant by product development?

Ans. According to Limpson and Darling, "Product development involves the adding, dropping and modification of item specifications in the product line for a given period of time, usually one year." William J. Stanton defines product development as: "Product Development encompasses the technical activities of product research, engineering and design."

Q.12. Discuss the term 'product modification'.

Ans. Product Modification refers to the improvement of the existing products by making necessary changes in the characteristics, nature, size, packing and colour, etc., of the products so that the changes in demand of consumers may be dealt effectively. The purpose of the product modification is to maintain existing demand, attract new users and to face the competitors effectively. It helps in increasing the sales of the enterprise which results in increase in the profits of the enterprise.

Q.13. What do you mean by the term 'product innovation'?

Ans. Product innovation includes the initiatives, methods, techniques, and processes for making incremental improvements to existing products and services. It involves making evolutionary changes to the products employing the prevailing technologies and organizational capabilities. Thus, product innovation can be divided into two categories of innovation : *radical innovation* which aims at developing a new product, and *incremental innovation* which aims at improving existing products.

Q.14. What is meant by product elimination?

Ans. Product elimination is the decision to drop a product from the portfolio based on its poor market performance. The market demand for such products has been dipped to none and hence product elimination or closure is carried out. Product elimination can also mean that only product under an umbrella brand needs to be stopped and not the entire portfolio.

Q.15. What do you mean by the term 'brand'?

Ans. A brand is a name given to a product and/or service such that it takes on an identity by itself. It is an identifying symbol, mark logo, name, word and/or sentence that companies use to distinguish their product from others. Additionally, it also means an inherent assurance to the customers for quality. A combination of one or more of those elements can be utilized to create a brand identity. Legal protection given to a brand name is called a trademark. The best examples of brand names are Liril, Lux, Rexona, Hamam, Nevia. Parker pen, Alto car etc.

Q.16. Discuss the features of a good brand name.

Ans. Following are the main features of a good brand name :

1. Easy to read.
2. Easy to remember.
3. Easy to spell.
4. Easy to pronounce.
5. It must be pleasing when read.
6. It must be simple.

Q.17. What are regional and national brands?

Ans. Regional Brands : When brand name is used for a particular region such as east, west, north, south, central etc., it is called regional brand.

National Brands : Under national brand, manufacturers use his products brand in the whole country. For example, Closeup, Dabur Chyawanprash etc.

Q.18. What do you mean by 'packaging'?

Ans. "Packaging" is a wider term and it concerned with general groups of activities of designing, package, producing the container or wrapper for a product. Thus, packing is the sub-division of the Packaging function of marketing.

"Packaging may be defined as the general group of activities in product planning which involve designing and producing the container or wrapper for a product."

"Packaging in the case of containers and wrapping materials plus decoration and labelling to protect the product, to help and promote its sales, and to make it convenient for the customer to use the product."

Q.19. What is meant by the term labelling?

Ans. Labelling means putting identification marks on the package. A label identifies: who made the product; date of manufacturing and expiry; the price to be charged; brand name; net quantity, etc. Label is a strong sales tool. A label is also a part of a package or it may be attached directly to the product.

Q.20. What are the various types of packages?

Ans. There are four types of packages:

1. **A consumer package :** In consumer package the consumer has the option to purchase the pack size which he considers adequate for the consumption of his family.
2. **A bulk package :** Bulk packages are generally used for industrial consumers like steel drums for paints, gallons for kerosene oil (20 liters) etc.
3. **An Industrial package :** Industrial packages are found in industrial area for durable goods. For example, Heavy-Machine packed with wooden materials.
4. **A dual use package :** In dual use packaging can be used after its contents have been consumed. For example, drinking glasses, bottles, boxes of jewellery, waste-baskets etc.

Q.21. What are the advantages of labelling?

Ans. Labelling has following advantages :

1. It helps in providing information about the product's features.
2. It is a social service to customers.
3. By publishing the price on label, it stops price variation.
4. It is a guarantee for the standard of the product.
5. It helps advertising activity of the organization.

Q.22. Discuss the disadvantages of labelling.

Ans. Though labelling is the most advantageous activity of any business, still it has following disadvantages :

1. It increases the cost of production.
2. Not effective where population is illiterate.
3. It is effective only where standardization is compulsory.
4. Sometimes it passes wrong information to customers.

Q.23. What are the objectives of packaging?

Ans. The following are the objectives of a good packaging :

1. It offers physical protection for the product against breakage, damage, leakage, etc.
2. It aims to identify the product easily through packaging differentiation.
3. It aims to protect the contents from production to final use.
4. It aims to provide a suitable product mix including sizes, weights, prices and packages.
5. To encourage repurchase and facilitate product use.

Q.24. What do you know about Consumer Relationship Management (CRM)?

Ans. Customer Relationship Management (CRM) is referred to as customer focused business strategy where relational marketing is emphasized. It is defined as a set of business processes that are designed to capture, retain and provide services to the Customers. The objectives of CRM include increasing revenue to identify new opportunities and reducing customer defection, building customer loyalty to enhance good image of the organization and reducing costs.

SECTION-B (SHORT ANSWER TYPE QUESTIONS)

Q.1. Write the various major definitions of market segmentation.

Ans. **Definitions of Market Segmentation**

Some important definitions of market segmentation are given as below :

1. Market segmentation may be defined as the process of sub-dividing market into homogeneous sub-section of customers with common needs, goals, characteristics and behaviour tendencies to targets with a distinct marketing mix.
2. Market segments are grouping of consumers according to such characteristics income, age degree of urbanization, race or ethnic classification, geographical location or education.
3. Market segmentation is sub-dividing of a market into distinct and increasing homogeneous sub-groups of consumers where any group can conceivably be selected as a target market to be met with a distinct marketing mix."
4. Market segmentation is the strategy of dividing markets in order to conquer them.
5. Market segmentation consists of taking the total heterogeneous market for a product and dividing into several sub-markets or segments each of which tends to be homogeneous in all significant aspects.
6. Market segmentation breaks the larger heterogeneous market into small homogeneous segments. The elements of each smaller segment are more similar in terms of wants, needs and behaviour than the total market. A separate marketing programme is developed to best match each segment individual needs and wants.

Q.2. Discuss the need for market segmentation.

Ans. **Need for Market Segmentation**

Following points highlight the need for market segmentation :

1. **Effective Utilization of Marketing Sources :** It is not possible for any organization to meet every customer's needs; therefore, clustering customers needs based on market segmentation provides opportunity to the organization to increase their customer reach and increase profitability. Treating all customers similar, with a mass marketing approach, may ultimately weaken the organization's competitive strength.

2. **Better Understanding of Customer Needs** : Market segmentation helps the marketers to understand the needs of the target audience and adopt specific marketing plans accordingly. Organizations can adopt a more focused approach as a result of market segmentation.
3. **Better Understanding of the Competitive Situation** : Market segmentation facilitates adoption of suitable customers' specific or segmented market-specific strategies and accordingly customizes the products and services and remains competitive in the market.
4. **Accurate Measurement of Goals and Performance** : Businesses can use segmentation to help on pricing decisions that maximizes sales while keeping customers happy. Companies may consider demographic information such as income levels. They may also take into account their customers' price sensitivity the degree to which their price affects their purchase decisions. Paying attention to seasonal demand changes can help businesses time special deals to boost sales.

Q.3. Elaborate the various advantages of market segmentation.

Ans. Advantages of Market Segmentation

Following are the main advantages of market segmentation :

1. **Helps in Understanding Potential Consumers** : Market segmentation lies in a better understanding of the consumer needs and behaviour so that a marketer can plan accordingly.
2. **A more Effective Marketing Programme** : To pay proper attention to particular area a marketer can make effective programme. The information gained from market segmentation allows the organisation to plan a systematic, and matching market programme.
3. **Assists in Understanding Competition** : Through market segmentation marketers are able to assess correctly strength and weakness of the competitors so, the marketer can make effective marketing strategies for different market segments.
4. **Helps in Better allocation of Resources** : When the target market segment is clearly defined, a marketer can choose the appropriate channels of distribution, marketing mix, sales promotion programmes, and it ensures better allocation and utilisation of resources.
5. **Provides Maximum Customer Satisfaction** : Market segmentation ensures both maximum satisfaction to consumers and maximum sales to the company. To provide maximum consumer satisfaction, marketers cater needs of customers more effectively. Thus, customers can have products as per their needs and they can get better products or services at lower cost.
6. **Assists in Improving Profitability** : On the basis of the study on needs of specific group of buyers, the products are manufactured. Company can attract distinct groups of buyers and can increase sales. An increased sale has positive impact on its profitability.
7. **Identifying Market Opportunity** : Market segmentation helps to establish close relation with specific groups of buyers. Close relation facilitate a continuous interaction between consumers and company. Consumers inform the company regarding changes in their needs, wants and habits on a continuous basis or whenever asked. Thus, it is easy for a marketer to project the future trends.

8. **Provides Benefit of Specialisation :** Through market segmentation company desires its marketing programme for different products and for various groups of buyers. Specialisation in production and marketing can offer a lot of benefits to the company.

Q.4. What is meant by market targeting?

Ans.

Meaning of Market Targeting

The process of selecting the target market from the entire market is called as market targeting. Target market consists of group/groups of buyers to whom the company wants to satisfy or for whom the product is manufactured, price is set, promotion efforts are made, and distribution network is prepared.

Market targeting consists of dividing the total market into segments, evaluating these segments, and selecting the appropriate segments as the target market. It involves basically two actions-evaluation of segments and selection of the appropriate market segments.

1. **To Evaluate Market Segments :** Evaluation of market segments calls for measuring suitability of segments. The segments are evaluated with certain relevant criteria to determine their feasibility such as size, profitability, measurability, accessibility, potential for growth, scale of economy, differentiability, etc.
2. **To Select Market Segments :** When the evaluation of segments is over, the company has to decide in which market segments to enter. That is, the company decides on which and how many segments to enter. This task is related to selecting the target market. Target market consists of various groups of buyers to whom the company wants to sell the product; each tends to be similar in needs or characteristics.

Q.5. What is market positioning? Discuss the various types of market positioning.

Ans.

Meaning of Market Positioning

The process of establishing the image or identity of a brand or product so that consumers perceive it in a certain way is termed as market positioning. In other words, it is an effort to influence consumer perception of a brand or product relative to the perception of competing brands or products. Its objective is to occupy a clear, unique, and advantageous position in the consumer's mind.

For example, a car maker may position itself as a luxury status symbol. Whereas a battery maker may position its batteries as the most reliable and long-lasting. And a fast-food restaurant chain may position itself as a provider of cheap and quick standardized meals. A coffee company may position itself as a source of premium upscale coffee beverages. Then a retailer might position itself as a place to buy household necessities at low prices. And a computer company may position itself as offering new, innovative, and user-friendly technology products.

Types of Positioning : Positioning can encompass branding, advertising, promotion, pricing, product development, sales, distribution and operations. The following are common types of market positioning :

1. **Customer Needs :** Identifying your target customers and how you will fulfill a set of needs. This can include functionality and experience.
2. **Customer Perceptions :** Finding a way to capture the imagination of our target customer. For example, a cosmetic brand that does good things for the environment and communities and tells the story in a compelling way.
3. **Brand Recognition :** Promoting basic visual symbols and information such that customers recognize you in a crowded market.

4. **Pricing** : Pricing is a primary form of competition. In many markets, the lowest price competitor with a reasonable level of quality tends to win.
5. **Quality** : Often the only way to avoid intensive price competition is to offer a superior level of quality that your target customers strongly prefer.
6. **Convenience** : Customers incline towards products and services that make life easier. This can include location, usability and terms. For example, the convenience of an e-commerce site with extensive product variety, low prices, easy ordering and free returns.

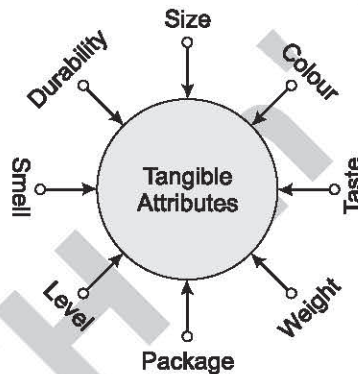
Q.6. Discuss the major features of product.

Ans.

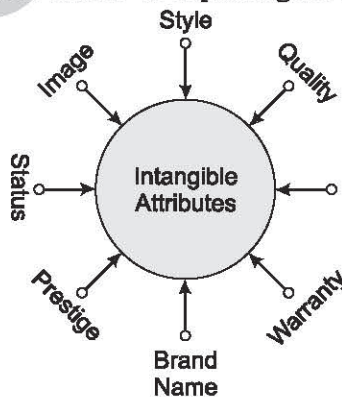
Features of a Product

The main characteristics or essential features of a product are as follows :

1. **Tangible Attributes** : One of the major features of a product is its tangibility. It means that it may be touched, seen and its physical presence felt, like, cycle, book, pencil, table etc.



2. **Intangible Attributes** : Alternatively, the product may be intangible in the form of service, such as banking, insurance or repairing services.



3. **Exchange value** : Another feature of a product is that it must have exchange value. Every product, whether tangible or intangible, should have an exchange value and should be capable of being exchanged between the buyer and seller for a mutually agreed consideration.

4. **Utility Benefits** : Another important characteristic of a product is that it should have a utility like a bundle of potential utility or benefits.
5. **Differential Features** : Another important feature from the marketing point of view is that the product should have differential features, i.e., it can be differentiated from other products. Different types of packaging and branding can help create the image of product differentiation in the consumer.
6. **Consumer Satisfaction** : Another feature from the marketing viewpoint is that the products should have the ability to deliver value satisfaction to consumers for whom they are intended.
7. **Business Need Satisfaction** : The last also equally important characteristic of a product is that in order to be a product, it should also have the attribute to satisfy a business need. The basic business need obviously is to earn a profit on the product sold. It must have the attribute of generating profit.

Q.7. Elaborate Philip Kotler's five product level model.

Ans. Kotler's Five Product Level Model

Kotler's Five Product Levels model was developed in the 1960s. Kotler's book, Marketing Management (15th Edition), was voted one of the 50 best business books of all time in the mid-1990s by the Financial Times. He devised this model that recognises customers have five levels of need, ranging from functional or core needs to emotional needs. The model also recognizes that products are merely a means to satisfy customers' varying needs or wants. He distinguished three drivers of how customers attach value to a product :

- ◆ **Need** : A lack of a basic requirement.
- ◆ **Want** : A specific requirement of products to satisfy a need.
- ◆ **Demand** : A set of wants plus the desire and ability to pay for the product.

Customers will choose a product based on their perceived value of it. Satisfaction is the degree to which the actual use of a product matches the perceived value at the time of the purchase. A customer is satisfied only if the actual value is the same or exceeds the perceived value. Kotler attributed five levels to products :

1. **Core benefit** : The core benefit is the fundamental need or wants that the customer satisfies when they buy the product. The core product represents a bundle of benefits which a marketer wishes to sell to its prospective buyers.
2. **Generic product** : Generic product is a version of the product containing only those attributes or characteristics absolutely necessary for it to function. It is a symbolic product focuses on what a product means to the customer, not the seller. In other words, a generic product is something that is sold on the name of the product *i.e.* what it actually is, rather than having a brand name. For example, the need to process digital images could be satisfied by a generic, low-end, personal computer using free image processing software or a processing laboratory.
3. **Expected product** : It is the set of attributes or characteristics that buyers normally expect and agree to when they purchase a product. For example, the computer is specified to deliver fast image processing and has a high-resolution, accurate colour screen etc.
4. **Augmented product** : The inclusion of additional features, benefits, attributes or related services that serve to differentiate the product from its competitors. For

example, the computer comes pre-loaded with high-end image processing software for no extra cost or at a deeply discounted, incremental cost. With these attributes after sales service, home service and installation, replacement warranty etc. are also desirable.

5. **Potential product** : This includes all the augmentations and transformations a product might undergo in the future. To ensure future customer loyalty, a business must aim to surprise and delight customers in the future by continuing to augment products. For example, the customer receives ongoing image processing software upgrades with new and useful features.

Q.8. Discuss the various advantages of a product.

Ans. Advantages of a Product

Major advantages of a product are as follows :

1. **Acts as a Competitive Weapon** : Product is the competitive weapon of very great potential. Whenever competitive pressures develop in the market, consumer preference changes or otherwise there emerges a need for change in the components of the product. For example, competitive advantage may be gained by changing the package, colour, size, quality, innovation or even trading terms. In short, the product is the soul and centre of all our marketing activities.
2. **Starting Point of Marketing Planning** : For the marketer, products are the building blocks of a marketing plan. Marketing planning is done on the basis of the nature, quality and the demand of the product. Product policies decide other policies.
3. **Key to Market Success** : Product is the key to market success. That is why the marketing manager emphasizes and insists on the need getting success in his business. In product marketing product planning and activities related to product research are greatly emphasized by producers and marketers. If the product is faulty, its market will have a very short life span and will ultimately fall.
4. **Centre of Consumption and Satisfaction** : From the consumers' point of view, the product is the centre of their consumption and satisfaction. It is the philosophy of the modern marketing concept. Various policy decisions are taken by the marketing management so as to provide better consumption, benefits utilities and satisfaction to the consumers in case the product fails to fulfil this object, it invites the intervention of the government and other agencies to safeguard the interests of the consumers.
5. **Importance from social Viewpoint** : From a social viewpoint also, the product satisfies the needs of society. On the one hand, product satisfies the need of consumers and on the other, it provides employment and standard of living to millions of people.
6. **Corporate Need Satisfaction** : The basic corporate need for profits is satisfied by-products. It is the product through which a company exploits market opportunities and generates sales volume and revenue. Adequate sales volume and revenue ensure corporate profitability essential for business survival and growth.
7. **Acts as the Centre of all Marketing Activities** : Product is the pivot and the entire marketing activities cluster around it. Marketing activities such as advertising, sales promotion distribution, buying, selling etc. are all made possible only on account of the product. In short, the product is the engine that pulls the marketing activities, programmes etc.

Q.9. Discuss the major stages involved in the product life cycle.

Ans. Stages of Product Life Cycle

The product life-cycle may move through five stages as discussed below :

1. **Introduction** : It is the first stage, at this stage, the product is put on the market. Under this stage awareness about product and acceptance are minimal. Sales would begin gradually as potential buyers learn of the product through advertising and other selling techniques. There is no competition and profit will be low, because, high expenditure has to be incurred on advertising and other promotional techniques. The introduction stage is most risky and expensive as there is a high percentage of product failures in this period. Thus, to introduce the product successfully, the following steps may be taken :
 - (i) Mass advertisement and publicity of product by 'money back' guarantee and stimulate the customers to trying it.
 - (ii) Selection of right distribution channel for effective distribution.
 - (iii) Attractive gift to customers and discount to dealers.
 - (iv) High price of the product to earn more profit during the introduction stage.
 - (v) Supply of best quality product.
2. **Growth** : In this stage, both sales and profit will begin to increase because of the cumulative effects of introductory promotion, distribution, and word-of-mouth influence. High and sharply rising profits may be witnessed. But to sustain growth, consumer satisfaction must be ensured at this stage. Sellers shift to "buy my product" rather than to "try my product."
3. **Maturity** : At this stage, sales continue to increase but at a decreasing rate. When the product enters into maturity stage as competition intensifies further and market gets stabilised. Profits come down because of stiff competition, and marketing expenditure rise. Ultimately demand of the product starts declining as new products are introduced in the market. Product differentiation, extended warranty period, attractive packaging, life-time warranty and product improvement are emphasized during this stage.
4. **Saturation** : At stage, product sales volume becomes stagnant and there are no new customers. Consumption achieves a constant rate. Keen competition and higher marketing expenses tend to decline profit margin and prices also fall rapidly. Fresh efforts are made in this stage to improve the product and new markets are tried.
5. **Decline** : During this stage, profit margins touch a low level, competition becomes severe and customer starts using the newer and better product. Lastly, the product gets the natural but hard end.

Q.10. What are the various features that affect the life-cycle of a product?

Ans. Factors Affecting the Life-Cycle of a Product

The life cycle of a product is affected by various factors as discussed below :

1. **Technical Change** : Rate of technical change affects the product life cycle of a product. When the rate of technical change is high, the life of the product is limited because new and improved products take place in place of old products. On the other hand, rate of technical change is slow, the life of products may be longer. For example, in a developed country where the technical change rate is very high, the life of the product is very short.

2. **Rate of Acceptance** : Rate of customer acceptance directly affects life- cycle of product. If the rate of acceptance is high, the life cycle of product is short, because the customers who have accepted the product today can accept another product tomorrow. On the other hand, if the acceptance rate of the product is slow, the life cycle of the product may be quite long.
3. **Easy to competitive entry** : Market competition also affects the life cycle of product. If the entry of competitors is easy in existed market, the life cycle of products will shorter because, new products will enter in the market. As a result, the existing product will be flushed out of the market vice-versa.
4. **Risk Bearing Capacity** : The risk bearing capacity of enterprise also affects the life cycle of products. If enterprises have risk bearing capacity, they can keep their products in the market for a long period. On the other hand, if the enterprises have no risk bearing capacity may not able to face the challenges of the market and withdraw their products from the market very soon. In this situation, the life-cycle of their products will be shorter.
5. **Goodwill of the enterprise** : Goodwill of the enterprises also affect the product-life cycle. If an enterprise's goodwill is good, its product will survive for a long time in market and life cycle is so long as compared to products of other enterprises.

Q.11. Discuss the major benefits of product life-cycle.

Ans. Benefits of Product Life-Cycle

Following are the main benefits of product life-cycle :

1. **Easier to make Strategies** : The number one benefit of product life-cycle is that, it can help you to define the strategies which can be used based on the life cycle stage. So, if a product is in the growth stage, then naturally a lot of advertising and investments are needed to keep the product in the growth stage. Thus, strategizing becomes easier with the Product life cycle.
2. **Decision making** : Whenever we are presented with multiple options, we need more data to take a decision on which direction to move in. Product life cycle helps managers with such decision making because it has the sales data as well performance over time data. The combination of these two factors can help managers to take decisions faster.
3. **Forecasting sales becomes easier** : With enough experience, it is easier to forecast how a product will move through the product life cycle and therefore, what levels of sales will it achieve.
4. **Competitive advantage** : A marketing manager can also run the product life cycle of competitors' products besides running their own. This gives a good insight into the preparations the competitors must be going through. Accordingly, the firm doing this analysis has a competitive advantage as it can take one step ahead of the competitor. For Example - Competitor's product is in the introductory stage whereas the company's product is in the maturity stage. The mature product starts advertising and pulling customers so that the newer product never takes off. Or alternatively, the company can themselves introduce a new product which competes with the competitor's product.
5. **Decision to eliminate a product** : It's always hard to say goodbye especially to a product you launched with so many hopes. However, the product life cycle is the perfect measure of when to say goodbye to a product and it can help marketing

managers with the decision to eliminate a product from their portfolio when the sales has declined far below the market average. Such products will demand investments but the returns will be very poor.

Some other important utilities are as under :

- (i) It is useful in determining the cost of the product.
- (ii) Helpful in the planning of the new product.
- (iii) Precautionary action can be taken in the decline stage.
- (iv) Implementation of sales promotional activities in the maturity stage.
- (v) To earn more profit in the growth stage.

Q.12. What are the major disadvantages of product life-cycle?

Ans. Disadvantages of Product Life-Cycle

Following are the major disadvantages of product life-cycle :

1. **Fluctuations in Sales Data** : In the product life cycle, the graph is completely dependent on sales data. Thus if there are fluctuations in the sales data, then the graph is useless and cannot be used to predict precisely the movement of products or the overall product rise and decline. Such fluctuations can arise due to production issues, seasonal sales of the product or due to any other reason.
2. **Delay in Sales Data** : One of the major disadvantages for the product life cycle is that there is a delay in collecting and analyzing the sales data. Sales are generally recorded after the movement of goods and besides this, the actual movement of one product from one life cycle to another might be recorded months down the line. This is because of the delay in analytics.
3. **Varying Market Conditions** : There may be a variance in the sales data due to varying market conditions. Therefore products which are hit in one place might not be hit in other regions or territories due to the differences in consumption patterns of those territories.
4. **Effect of Other Elements** : There are various other elements which effect the product life cycle. Product itself is just one P amongst the 4 P's of marketing and there are three other elements such as Price, Place, promotions or even people and packaging. Overall Marketing, Logistics, Price, etc. have an effect on the sales of the product and hence the stages and their length in the PLC might vary based on these elements.
5. **Not Applicable to Brands or Services** : Product life cycle is generally applicable to products only and not applicable to brands or services. For example - Microsoft has so many products which have come and gone but this does not mean that the brand Microsoft is in Maturity stage or decline stage. Some products of the brand are growing whereas others are maturing or declining.

Q.13. Discuss the product life cycle management.

Ans. Product Life-Cycle Management

Following are the specialized management fields which need to be taken care of right from the launch of the product to its decline in the market :

1. **Manufacturing** : The cost of production of goods and services matter and vary to a great extent during a product's life cycle. This cost very high at the development stage whereas it gradually decreases at the growth and maturity stages.
2. **Marketing** : The strategy for marketing the product varies at each stage. When the introduction stage requires excessive marketing and promotion, unlike the growth

stage where the product requires less publicity and is popular among customers, this strategy changes entirely at the decline stage.

3. **Financing** : The initial capital requirement at the introduction stage of a product is quite high. Whereas, at the growth and maturity stage, the product self finances itself through sales and profit earned by it.
4. **Development** : At the development stage of a product, the management needs to focus on research and analysis. It invests maximum time, energy and efforts in the development of a new product.
5. **Information** : The collection and analysis of potential data, including market trends, effective means of promotion, prospective growth, etc. are necessary for the management.

So we can say that the planning and analysis of product life cycle is an integrated function of all the departments of the organization. Also, it is an ongoing process which never ends.

Q.14. Discuss the significance of product planning.

Ans. Significance of Product Planning

Following points highlight the significance of product planning :

1. **Acts as a Basis of Entire Marketing Programme** : Product planning is the starting point of the entire marketing programme. Product planning based on some important questions, *i.e.*, why to produce; what to be produced; when to produce; why not a particular product to improve or eliminate from the product line, etc. Without product planning and a sound product policy, a product cannot survive in long time.
2. **Helps in Facing Competition** : Product planning helps enterprises to face the competition in the market. Decision regarding modification, innovation and improvement in the product has become vital to gain and hold a competitive age in the market. If product planning is lacking, it will certainly affect the marketing activities and will ruin the business completely.
3. **Helps in Minimising Risk** : Sound planning and strategies about adding a new product, modification or improvement of existing products and eliminating unprofitable products in current product line help to minimise risk in the future.
4. **Ensures Profitability of the Product** : Through effective product planning, a marketer can earn more profit by satisfying customer's needs. Product planning is one of the ways to co-ordinate the customer's satisfaction and profitability.
5. **Assists in Discharging Social Responsibilities** : Product planning is an important tool of discharging social responsibilities of business. By effective product planning marketers provide improved quality products to customers according to their needs and improve the quality of life. In this way, product planning contributes to the growth and welfare of society.

Q.15. Explain the scope of product planning and development.

Ans. Scope of Product Planning and Development

Product Planning and development consists of the following activities :

1. **Product Decision** : Product decision is the first step of product planning. In taking decision, the producer has to think over whether the product would be profitable or not.
2. **Size and Design of the Product** : In this step, producer may take decision about size (large, medium or may be different), design and colour of the product.

3. **Name of Product :** Next activity in product planning and development is to finalise the name of the product that it must be short and easy to remember.
4. **Price of the Product :** In this step, the price of the product must be fixed by the firm keeping in view the cost and characteristics of the product and competitive product in the market.
5. **Brand, Packing and Labelling of Product :** The firm has to decide brand name, label, and packing quality of the product keeping in mind the consumer's needs.
6. **Guarantee and After-Sale Service :** Guarantee and after-sale service is last step. It includes a guarantee for repair and maintenance of the product for a specific period.

Q.16. What are the advantages and disadvantages of branding?

Ans.

Advantages of Branding

1. **Advantages to the Manufacturers :** Following are the main advantages of branding to the manufacturers :
 - (i) Advertising of the product is very easy with brand name.
 - (ii) Brand is very useful in identification of the product.
 - (iii) It saves advertising cost if the brand name is popular.
 - (iv) Popularity of brand name creates a separate market for the product.
 - (v) It helps to create a loyal set of customers.
 - (vi) It helps to build image and introduces new brand.
 - (vii) It helps in segmenting markets.
 - (viii) When brand becomes popular, marketers get more price.
2. **Advantages to the Middlemen/Distributors :** Main advantages of branding to middlemen are :
 - (i) Popular brands easy to sell.
 - (ii) No need of advertising and sales promotion programmes.
 - (iii) Popular brands have no risk because famous brand already exists in the market.
 - (iv) With popular brand, goodwill of the distributor also increases.
 - (v) It reduces price flexibility of product.
 - (vi) With increase of goodwill, the demand of the product also increases and finally share of the distributor's profit gradually increases.
3. **Advantages to the Consumers :** Major advantages of branding to consumers are :
 - (i) Easy to recognize the product.
 - (ii) Brand ensures availability of quality products to consumers.
 - (iii) The brand names assure fixed prices.
 - (iv) Brand gives mental satisfaction of customers for quality and reasonable price of the product.

Disadvantages of Branding

The disadvantages or drawbacks of branding are outlined as below :

1. It is difficult to establish a brand and the expense of advertising in the beginning stage is very high which raises the cost.
2. Brand names do not always assure good quality.
3. Less-control over intermediaries on branded product.
4. Brand monopoly is created brand loyalty to the products and it is harmful some times.
5. Brand dependency of consumer bounds to pay more when product (brand) shortage in market.

Q.17. What do you mean by packaging? Also discuss the levels of packaging.

Ans.

Meaning of Packaging

Packaging may be defined as the general group of activities in product planning which involve designing and producing the container or wrapper for a product.

Packaging in the case of containers and wrapping materials plus decoration and labelling to protect the product, to help and promote its sales, and to make it convenient for the customer to use the product.

On the basis of above definitions we can say that packaging is an art, science and technology of preparing goods for proper transport and sale. For example, liquids are placed in bottles, cans or barrels but other goods may be packed in boxes, bags, jute etc.

Levels of Packaging : Packaging is often called as the fifth 'P' of Marketing. It gives an enhanced value to the product. There are three level of Packaging: Primary, Secondary and Tertiary (Transit packaging).

1. **Primary Packaging :** It is the packaging that most closely touches a product, often referred to as "retail packaging." Its main goals are to protect the product and inform or attract a customer. For example, a tin-can is primary packaging because it's the primary way to carry green peas.
2. **Secondary Packing :** Secondary packaging is the outside of the primary packaging and may be used to pilferage or to group primary packages together. The main purpose is for branding display and logistical purposes. As well as protecting and collating individual units during storage. Secondary packaging is the middle layer of packaging. For example a cardboard box with a number of identical products inside like, 12-packs of green peas cans in cardboard box.
3. **Tertiary Packaging :** Transit packaging is the outer container that allows easier handling during transfer between factory, distribution centers and retailers. Examples include the pallets that bulk shipments are placed on, corrugated pads used to separate layers of boxes and stretch wrap used to secure stacks of cartons.

Q.18. What is meant by labelling? Discuss the various types of labels.

Ans.

Meaning of Labelling

The process of putting identification marks on the package is termed as labelling. A label identifies: who made the product; date of manufacturing and expiry; the price to be charged; brand name; net quantity, etc. Label is a strong sales tool. A label is also a part of a package or it may be attached directly to the product.

A good label has following attributes :

1. Picture of the product, accurate as to size, colour and appearance.
2. Description of Raw Materials.
3. Direction for use and cautions against misuse.
4. Date of manufacture and supply.
5. Statutory Warning, if any.

The label is an informative tag, wrapper, or seal attached to product or product's package.

The label is that part of product which carries several information about the product or the seller (manufacturer or middlemen). A label may be a part of package, or it may be tag attached directly to the product.

So, we can say that the purpose of labelling, is to give the consumer information about the product. Labelling must recognize the consumer's right to be informed and so must

incorporate the necessary information from the point of view of the consumer. In such way, packaging, branding and labelling go together and constitute an integral part of product planning and development.

Types Of Labels

Following are the major types of labels :

1. **Brand Labels** : These labels are exclusively meant for popularizing the brand name of the product. The brand is conveyed in the label. Some clothes and cosmetics manufactures carry brand label. For example, Lux, Pears, Dove, Rexona, 'Raymond', etc.
2. **Grade Labels** : The grade labels give emphasis to grades and identified by a quality grade, *i.e.*, number or word. For example, No. 1 Tea, 'good', 'best' etc.
3. **Descriptive Labels** : The descriptive labels keep information about the product feature and explain the various uses of the product. Most of milk-food product and medicine manufacturing companies have descriptive labels.
4. **Informative Labels** : Informative labels convey more information about the product, its use and care, name of producer, the date of manufacture, date of expiry, and other additional information about product. For example, in medicines detailed labels are attached which even specify the side effects in using them.

Q.19. What do you mean by after-sales service? Explain briefly.

Ans.

Meaning of After-sales Services

A set of activities which occurs after the purchase of the product which is devoted towards prospective customers for the maintenance or usage of the product is called as after-sales services. It is also regarded as a vital source of profit, revenue generation and competitive advantage in manufacturing industries.

In manufacturing industry, after sales service is focused towards technical assistance, spare parts distribution and customer care which is aimed for successful and comprehensive after-sales-offer. This strategy is also linked with customer relationship marketing. It means that relationship marketing targets for profitable customers through whom relevant strategies can be evolved in terms of customer relationship, trust building. In this relation, after-sales service facilitates interactions with customers and provides assistance to develop the relationship.

After-sales service strategy has been identified as a business network process which is emphasized on the overall business performance and the competitive advantage. After sales service is of two types; complementary services like customer care service and competing sources.

After sales service is an emerging concept which is comprised with :

1. Timely delivery.
2. Installation of the product.
3. Issue of Guarantee-assurance of return if product's performance is unsatisfactory.
4. Issue of warranty- undertaking of responsibility for defects or repairs of a product over a specific period of time.
5. Assurance for quality Service.
6. Customer's feedback.
7. Customer satisfaction and
8. Customer relationship management.

SECTION-C (LONG ANSWER TYPE) QUESTIONS

Q.1. Discuss the various steps involved in market segmentation.

Ans. Steps in Market Segmentation

Following are the major steps involved in market segmentation :

- 1. Identify the target market :** The first and foremost step is to identify the target market. The marketers must be very clear about who all should be included in a common segment. Make sure the individuals have something in common. A male and a female can't be included in one segment as they have different needs and expectations. Segmentation helps the organizations decide on the marketing strategies and promotional schemes.
For example, Maruti Suzuki has adopted a focused approach and wisely created segments within a large market to promote their cars.
 - (i) Lower Income Group : Maruti 800, Alto
 - (ii) Middle Income Group - Wagon R, Swift, Swift Dzire, Ritz
 - (iii) High Income Group - Fortuner, Audi, Mercedes.
- 2. Identify expectations of Target Audience :** Once the target market is decided, it is essential to find out the needs of the target audience. The product must meet the expectations of the individuals. The marketer must interact with the target audience to know more about their interests and demands.
Kellogg's K special was launched specifically for the individuals who wanted to cut down on their calorie intake.
Marketing professionals or individuals exposed to sun rays for a long duration need something which would protect their skin from the harmful effects of sun rays. Keeping this in mind, many organizations came with the concept of sunscreen lotions and creams with a sun protection factor especially for men.
- 3. Create Sub-Groups :** The organizations should ensure their target market is well defined. Create sub-groups within groups for effective results.
Cosmetics for females now come in various categories :
 - (i) Creams and lotions for girls between 20-25 years would focus more on fairness.
 - (ii) Creams and lotions for girls between 25 to 35 years promise to reduce the signs of ageing.
- 4. Review the Needs of the Target Audience :** It is essential for the marketer to review the needs and preferences of individuals belonging to each segment and sub-segment. The consumers of a particular segment must respond to similar fluctuations in the market and similar marketing strategies.
- 5. Name your Market Segment :** Give an appropriate name to each segment. It makes implementation of strategies easier. A kids section can have various segments namely new born, infants, toddlers and so on.
- 6. Marketing Strategies :** Devise relevant strategies to promote brands amongst each segment. Remember you can't afford to have same strategies for all the segments. Make sure there is a connect between the product and the target audience. Advertisements promoting female toiletries can't afford to have a male model, else the purpose gets nullified.

A model promoting a sunscreen lotion has to be shown roaming or working in sun for the desired impact.

7. **Review the Behavior** : Review the behavior of the target audience frequently. It is not necessary individuals would have the same requirement (demand) all through the year. Demands vary, perceptions change and interests differ. A detailed study of the target audience is essential.
8. **Size of the Target Market** : It is essential to know the target market size. Collect necessary data for the same. It helps in sales planning and forecasting.

Q.2. Discuss the concept of market segmentation.

Ans. Concept of Market Segmentation

A marketer divides market on the basis of various segmentation philosophies as discussed below :

1. **Undifferentiated Marketing** : When Marketers/Producers produce fully standardised products and their close substitutes are not available, marketers do not divide the market into various segments. Under such circumstances organisations may adopt mass advertising and other mass methods in marketing. For example, Coca Cola company sells Coke, Limca, Thums-up, etc., and does not distinguish the target market.
2. **Differentiated Marketing Concept** : In differential marketing strategy company prepares different marketing-mix strategies for the different product because consumer's demand is diversified. For example, Hindustan Unilever Limited which produces different soaps (Lux, Rexona, Hamam, Life Buoy, Liril, Pears, etc.) and each of them has its own market through product differentiation. This concept is also called a several segment approach.
3. **Concentrated Marketing Approach** : In this approach marketer follows 'one product one segment principle'. In other words, through concentrated marketing, the firm has to concentrate its efforts for effective market segmentation. For example, TATA MOTORS produces chassis which can be used for buses and trucks, follows one marketing strategies (Marketing Mix) for all markets.
4. **Mass Marketing Concept** : Mass Marketing concept is advocated that an economic system has limited resources and purchasing power. In ancient times, mass marketing concept assumed that there is no significant difference among consumer in terms of their needs and wants. So, it was offering the same product and applying the same marketing-mix to all consumers. According to this, the marketers felt that consumer difference in education, income, age-group, and lifestyle did not call for different marketing strategies and offering them standardised product. This type of marketing is well-suited for cold-drinks, fruits, vegetables, chocolates, bakery items, stationary items, etc.
5. **Target Marketing Concept** : It is the modern marketing concept. It helps the marketer to clearly identify the markets-The group of customers for whom the product is made. Generally, here two alternative approaches can be followed: (i) to treat the target market as a single unit or one aggregate market and draft one marketing mix for them. This approach is known as the 'Shotgun Approach'. (ii) The total market is viewed as consisting of small segments and the customer differences necessitate different marketing mix for them. This approach is known as the 'Rifle Approach'-Separate Marketing Strategies with specific targets.

6. **Segmented Market Concept** : Segmented market concept is just opposite to mass market concept. Under this concept, marketer takes much attention on the majority behaviour of consumers. This concept is applicable under affluent conditions, where the majority of the potential consumer has a high purchasing power.
7. **Global Market Concept** : In recent years the Global Market concept is developed as a modern marketing concept. Under this concept, marketer makes market segmentation according to all customers in the world because the development of international transportation system and world-wide communication system it is made possible. Liberalisation policies bound to marketers to adopt Global Marketing Segmentation concept.

Q.3. Discuss the various stages involved in the product life cycle.

Ans. Stages of Product Life Cycles

Following are the various stages involved in the product life cycle :

1. **Introduction stage - Product Life Cycle Strategies** : It is the stage in which a new product is first distributed and made available for purchase, after having been developed in the product development stage. Therefore, the introduction stage starts when the product is first launched. But introduction can take a lot of time, and sales growth tends to be rather slow.
Furthermore, profits in the introduction stage are negative or low due to the low sales on the one hand and high-distribution and promotion expenses on the other hand. Obviously, much money is needed to attract distributors and build their stocks. Also, promotion spending is quite high to inform consumers of the new product.
In the introduction stage, the focus is on selling to those buyers who are the most ready to buy (innovators). Concerning the product life cycle strategies we can identify the proper launch strategy: the company must choose a launch strategy that is consistent with the intended product positioning. Without doubt, this initial strategy can be considered to be the first step in a grander marketing plan for the product's entire life cycle. The main objective should be to create product awareness and trial.
To be more precise, since the market is normally not ready for product improvements or refinements at this stage, the company produces basic versions of the product. Cost-plus pricing should be used to recover the costs incurred. Selective distribution in the beginning helps to focus efforts on the most important distributors. Advertising should aim at building product awareness among innovators and early adopters. To entice trial, heavy sales promotion is necessary. Following these product life cycle strategies for the first PLC stage, the company and the new product are ready for the next stages.
2. **Growth stage - Product Life Cycle Strategies** : The growth stage is the stage in which the product's sales start climbing quickly. The reason is that early adopters will continue to buy, and later buyers will start to advertising the product by word of mouth. This rise in sales also attracts more competitors that enter the market. Since these will introduce new product features, competition is fierce and the market will expand. As a consequence of the increase in competitors, there is an increase in the number of distribution outlets and sales are augmented due to the fact that resellers build inventories. Since promotion costs are now spread over a larger volume and

because of the decrease in unit manufacturing costs, profits increase during the growth stage. The main objective in the growth stage is to maximize the market share.

Several product life cycle strategies for the growth stage can be used to sustain rapid market growth as long as possible. Product quality should be improved and new product features and models added. The firm can also enter new market segments and new distribution channels with the product. Prices remain where they are or decrease to penetrate the market. The company should keep the promotion spending at the same or an even higher level. Now, there is more than one main goal: educating the market is still important, but meeting the competition is likewise important. At the same time, some advertising must be shifted from building product awareness to building product conviction and purchase.

In the growth stage, the firm must choose between a high market share and high current profits. By spending a lot of money on product improvements promotion and distribution, the firm can reach a dominant position. However, for that it needs to give up maximum current profits, hoping to make them up in the next stage.

- 3. Maturity stage - Product Life Cycle Strategies :** It is the stage in which the product's sales growth slows down or levels off after reaching a peak. This will happen at some point, since the market becomes saturated. Generally, the maturity stage lasts longer than the two preceding stages. Consequently, it poses strong challenges to marketing management and needs a careful selection of product life cycle strategies. Most products on the market are, indeed, in the maturity stage.

The slowdown in sales growth is due to many producers with many products to sell. Likewise, this overcapacity results in greater competition. Since competitors start to mark down prices, increase their advertising and sales promotions and increase their product development budgets to find better versions of the product, a drop in profit occurs. Also, some of the weaker competitors drop out, eventually leaving only well-established competitors in the industry.

The company's main objective should be to maximize profit while defending the market share. Therefore, the firm should consider modifying the market, product and marketing mix. Modifying the market means trying to increase consumption by finding new users and new market segments for the product. Also, usage among present customers can be increased.

Modifying the product refers to changing characteristics such as quality, features, style or packaging to attract new users and inspire more usage. And finally, modifying the marketing mix involves improving sales by changing one or more marketing mix elements. For instance, prices could be cut to attract new users or competitors' customers. The firm could also launch a better advertising campaign or rely on aggressive sales promotion.

- 4. Decline stage - Product Life Cycle Strategies :** At least, product life cycle strategies for the decline stage must be chosen. The decline stage is the stage in which the product's sales decline. This happens to most product forms and brands at a certain moment. Reasons for the decline in sales can be of various natures. For instance, technological advances, shifts in consumer tastes and increased competition can play a key role. As sales and profits decline, some competitors will withdraw from the market.

Also for the decline stage, careful selection of product life cycle strategies is required. The reason is that carrying a weak product can be very costly to the firm, not just in profit terms. There are also many hidden costs. For instance, a weak product may take up too much of management's time. It requires advertising and sales-force efforts that could better be used for other, more profitable products in other stages. Most important may be the fact that carrying a weak product delays the search for replacements and creates a lopsided product mix.

Q.4. Discuss the steps involved in the process of product development.

Ans.

Steps of Product Development

Following are the steps involved in the process of product development :

- 1. Idea Generation :** The first step of product development is idea generation. Exploration of ideas about new products or improvement of old products may come from (i) external sources like customers, distributors, advertising agencies, trade associations, government and research organisations; or (ii) Internal sources like salesman, intermediaries, non-marketing employees, other organisations. Consumer's complaints or dissatisfaction can also be the source of new ideas.
- 2. Idea Screening :** The next phase is that of screening of the new product ideas against a pre-determined set of criteria. Screening is the second stage of product development that eliminates the greatest number of ideas from further consideration. The purpose of idea screening is to identify the potential ideas and separate them from the poor ones, and such ideas are also dropped.
- 3. Business Analysis :** This is the third stages at this stage, the new product idea is carefully evaluated for their economic worth. The important components of business analysis are—Sales estimation, Cost and profit analysis, Market potential and environmental and competitive changes. A complete cost and profit appraisal of a particular product is the basic matter of business analysis.
- 4. Product Development :** At this stage, the product idea is converted into the tangible physical product. It involves the design and formulation of the product and development of a technically and commercially method of manufacture. Under this stage some important decisions should be taken, *i.e.*, (a) Developing Models, (b) Consumer preference testing, (c) Branding and (d) Packaging.
- 5. Test Marketing :** Test marketing is the controlled experiment done in a limited but carefully selected part of the market place with a view to predicting the sales of one or more proposed marketing actions. According to *Philip Kotler*, "The test marketing is the stage where the entire product and marketing programme is tried out for the first time in a small number of well chosen and authentic sales environment."
Mason and Rath stated that "Test marketing means marketing experimentally to consumers in several carefully selected areas before releasing them on wide scale."
So, finally we can say that test marketing is a technique of selling the product on trial basis on a well chosen market to observe the response of the customers and to decide whether the product can be sold or not. There are two reasons for test marketing—to know the reaction of the consumers and to know other alternatives.
- 6. Commercialisation :** The last phase of product development is commercialisation. Commercialisation or market introduction involves the launching of the product with marketing strategies to the market. Thus, commercialization is to implement the

decision taken at an earlier stage and committing to the resources to implement new product strategy.

There are two important decisions to be made for successful commercialization-(a) Entire market versus selected segment, (b) Crash versus Roll-out introduction. A crash introduction is the full-scale commercialization of new product as quickly as possible and in roll-out introduction, the product is introduced only in one or few areas.

Q.5. Discuss the various factors that influence product mix.

Ans. Factors Influencing Product Mix

Following are the major factors that influence product mix :

1. **Profitability** : Every business unit tries to maximize its profits. It makes certain changes in its product mix in a way to realize a positive impact on profitability. Company prefers to introduce more product lines or product items in existing product lines to improve its profitability. Product mix is constantly adjusted to realize more profits.
2. **Objectives and Policy of Company** : Company frames its product mix to achieve its objective. Product mix is prepared, modified, or changed in light of objectives. Therefore, addition, subtraction, or replacement of product lines or product items is based on what a company wants to achieve. Product mix is prepared and modified according to a company's policy.
3. **Production Capacity** : Marketing mix decisions, to a greater extent, depend on plant or production capacity of the company. Company will design its product mix in a way that optimum production capacity can be utilized.
4. **Demand** : Product mix decisions are taken with reference to demand. Marketer should study consumer behaviour to find the popularity of products. Changes in consumers' preference, fashion, interest, habits, etc., must be reflected in the product mix of the company. Company, naturally, priorities those products which have more demand. In the case of falling demand, the company must drop poor products gradually. Thus, the product mix is constantly adjusted to meet consumer needs and wants.
5. **Production Costs** : Product mix is widened or narrowed depending upon production costs. Company will prefer those products, which can be produced within the budgeted limit. Sometimes, for any reason, the manufacturing costs for existing products rise, the company decides to drop such products to reduce their production costs. It tries to balance selling price, profit margin, and production costs.
6. **Government Rules and Restriction** : Every company produces such products, which are not restricted or banned by the governments. Even, sometimes, the company has to stop certain products or varieties when it is declared as illegal. In the same way, social and religious protests also play a vital role in this regard. Contemporary legal framework has a direct impact on the size and composition of product mix.
7. **Demand Fluctuation** : Apart from consumer behaviour, demand is also fluctuated due to many reasons. Especially, demand is affected due to seasonal effect, non-availability of substitutes, increase in population, war, drought, flood, or any other reason. In order to meet with the changing demand for certain products, the company has to adjust its product mix.
8. **Competition** : It is one of the powerful factors affecting product mix. A company formulates its product mix in such a way that competitors can be strongly responded.

Product mix strategy adopted by the close competitors has a direct impact on the company's product mix.

9. **Impact of Other Elements of Marketing Mix :** Over and above these factors, other elements of marketing mix such as price, promotion, and distribution are also equally important in designing product mix. Company tries to maintain consistency among these all elements to carry out marketing activities effectively and efficiently.
10. **Overall Business Condition or Condition of Economy :** Domestic as well as global economic conditions are also important considerations. Because of liberalization and globalization, no business can dare underestimate macro picture of the world economy. A company should keep in mind the health of the domestic economy with reference to the world economy. This is more relevant when a company is involved in international trade.

Q.6. Discuss various types of brands.

Ans.

Types of Brands

Following are the various types of brands :

1. **Ownership Basis :** On the basis of ownership, brand may be of two types :
 - (i) **Manufacturer's Brand :** Under this type of brand, product is named after the name of the manufacturer of the product. For example, Philips, T.V., Philips Radio, Philips Sound System, Godrej Almirah, Godrej Refrigerators, Godrej Washing Machine, etc.
 - (ii) **Middlemen's Brand :** Under this type of brand middlemen *i.e.*, wholesalers, retailers, etc., sell the product with his own brand name. Manufacturers do not use any brand name for his product. This type of brand is popular in USA & other European countries.
2. **On the basis of Market Area :** There are five types of brands on the basis of area covered :
 - (i) **Local Brand :** When brand is used for different local market with different name is called local brand.
 - (ii) **Provincial Brand :** When brand is used for a particular state, it is called provincial brand. Under provincial brand different brands are used in different provinces for the same product.
 - (iii) **Regional Brand :** When brand name is used for a particular region such as East, West, North, South, Central, etc., it is called regional brand.
 - (iv) **National Brand :** Under national brand manufacturers use his product's brand in the whole country. For example, Dabur Chaywanprash, Closeup Toothpaste etc.
 - (v) **International Brand :** Under this brand, manufacturers use his product's brand in all the countries of the world. For example, Nokia Mobile, Motorola Mobile etc.
3. **On the basis of the Number of Products :** On this basis brand may be of following types :
 - (i) **Family Brand :** Under family brand, manufacturer uses his brand name for all his products and in all market segments. For example, Samsung is marketed his all products with the brand name of Samsung T. V., Samsung Refrigerators, Samsung DVD, Samsung JMG Set, etc.

- (ii) **Product Line Brand** : When marketers use different brand name for their different product lines, is called product line brand. For example, 'Dalda' is used for Vanaspati Ghee product line and 'Surf' for detergent powder line.
 - (iii) **Individual Brand** : When individual product is marked different brand names, produced by same manufacturer, is called Individual Brand. For example, brands of soaps of Hindustan Unilever Ltd, *i.e.*, Lux, Lifebuoy, Rexona, Liril etc.
 - (iv) **Umbrella Brand** : Under this brand all the products of a company named with a single brand name. For example, "TATA" is an umbrella brand under which trucks, salt, tea, steel, pipes, etc., produced by various TATA units are marketed with one brand name.
4. **On the basis of the Use** : On the basis of the use brands are of following types :
- (i) **Fighting Brands** : When there is very tough competition in the market and producer wants to introduce a new product then he may introduce a product which has quite different characteristics against competitors' brand, such brand is called a fighting brand. A fighter brand is specifically designed to counter the brand launched by a competitor to extract market share from the company. These brands are not designed to target consumers, but to specifically face the challenge posed by these competitor brands. For example, ITC Ltd. has introduced 'Sunfeast' brand biscuit.
 - (ii) **Competitive Brand** : Competitive brands are the brands that are considered as alternatives by buyers in a particular market segment. Occasionally, it is used to mean a (smaller) set of products which a particular seller wishes to be competing with; more rarely; it means the full set of competitors in fact competing in a given market. For example Rin Soap, Surf Excel, Nirma Soap, Ariel Soap etc.

Q.7. What is meant by the term branding? Discuss the various functions of branding.

Ans.

Meaning of Branding

Branding consists of various activities such as giving a brand name to a product, designing a brand mark, and establishing and popularizing it. Thus, Branding is a process by which a product is branded.

Various activities related to branding are as below :

1. **Brand Name** : Brand name is consisting of a word, letter, group of words or letters comprising a name which differentiate it from the product of the competitors. For example, Bravia, Honda City Car, Marshal Jeep, Parker Pen, Tata Indica Car, etc.
2. **Brand Mark** : The brand mark is a design, symbol or distinctive colouring or lettering of a brand that could be recognized only by sight but may not be pronounceable. For example, the picture of American Wild Cat on PUMA T- Shirt, a picture of coloured bird on kingfisher's product.
3. **Trade Mark** : Trade Mark is a legal term. Once brand name and brand mark is registered and legalized it becomes a trade mark. Thus, a brand which is registered under Trade and Merchandise Marks Act, 1958' treated as a Trade Mark. The letter 'R' in circle *i.e.*, ® on the packaging indicates that brand is duly registered. According to the American Marketing Association, "a trademark is a brand or part of a brand that is given legal protection. It protects the seller's exclusive rights to use the brand name or brand mark." Thus, all brand name or marks cannot be termed as trademarks. Only those brands which are registered with Govt. Trade Act are known as trade mark.

4. **Trade Name** : A Trade name is the name of the organisation or business itself. Mahindra is a Trade Name of Automobile Company and brand name for most of their products are Bollero, Logan, Marshal, Scorpio etc.

Functions of Branding

Branding is a powerful instrument of promotion which performs the following functions :

1. **Customer Loyalty** : Branding ensures better quality at competitive prices. Branded products are available in all parts of the country at uniform prices. This tends to create brand loyalty on the part of customers. They ask for the goods by their brand name such as Taj Mahal (tea leaves), Nescafe (Coffee), Tata (Iodised Salt), Natraj (Pencils), etc.
2. **Publicity** : A brand name enables its holder to advertise his product without any difficulty. Once a brand name becomes popular, people remember it for long.
3. **Better Quality and Protection of Goods** : Generally, the branded products are packed in suitable containers or wrappers which provide protection to the goods against heat and moisture and facilitate convenient handling. The customers derive many other benefits from the branded products. They are assured of the quality of the branded products.
4. **Consumer Protection** : The prices of branded products are fixed by the manufacturers and are printed on the packages. This protects the interest of the consumers because the retailers cannot charge more than the printed prices. The prices of branded goods remain fixed at different places and over a considerable period of time. They are not changed so frequently since it involves great inconvenience to the firm and a considerable cost in advertising the new price.
5. **Wide Market** : Branded products are quite popular and have wide market. The wholesalers and retailers readily handle the branded products which are advertised.
6. **Product Differentiation** : A brand name creates a distinctive impression among the customers. For instance, different brands of soap such 'Cinthol', 'Lux', 'Pears', 'Liril', etc. create different impressions upon the users, though the article is the same, *i.e.*, soap. Thus, a branded product enjoys distinct or separate identity.

Q.8. Elaborate after-sale service strategy.

Ans. After-Sale Service Strategy

After-Sale service strategy is related to several theories like service loyalty, service quality, customer satisfaction, and customer relationship management. Description of each theory is elaborated below :

1. **Service Loyalty** : Service loyalty is considered as the most important element which indulges consumers in terms of repurchasing the product. Loyal customers opt for repeat purchases.
2. **Service Quality** : It is an end result of customer satisfaction which has an impact on service marketing. It is also termed as technical service which is meant that what type of services is offered to the customers. Additionally, the role of functional service is understood through the procedure of service delivery.
3. **Customer Satisfaction** : Customer satisfaction plays crucial role to deal with customers' satisfaction and their needs. In after sales service, delivery or warranty is regarded as important element in this regard. So level of customer satisfaction can be improved through lowering down expectations of customers or improving customers'

perceptions. The two most important issues are perceived in after sales service delivery; one is operating time and the other is range of service.

4. **Customer Relationship Management**: Customer Relationship Management (CRM) is referred to as customer focused business strategy where relational marketing is emphasized. It is defined as a set of business processes that are designed to capture, retain and provide services to the Customers. The objectives of CRM include increasing revenue to identify new opportunities and reducing customer defection, building customer loyalty to enhance good image of the organization and reducing costs.

So, at least we can say that the concept of After Sales Service Strategy includes various activities like post purchase or repurchase of the product. This strategy is also focused on revenue generation, competitive advantage in manufacturing industries. Customers are provided various technical assistance and customer care through which successful offer is initiated.

There are two types of customer care services; complementary services and competing services. Apart from this concept of after sales service strategy, two perspectives of after sales service strategy have been approached and they are namely; business-to-business (B2B) and business-to-consumer (B2C). This strategy is related to four marketing concepts. Service loyalty is implied at the time of repurchasing of the product; Service Quality has an impact on service marketing where the function of service delivery is added; the crucial role of customer satisfaction determines customer needs and CRM has an impact on relational marketing.

Q.9. What are the functions of packaging? Also discuss the strategies and types of package.

Ans.

Functions of Packaging

Packaging should perform the following basic functions :

1. **Protection** : Protection is the primary function of packaging which protects the products from the environmental and physical hazards. It facilitates safety in transit from plant to the retailers' shelves. The following are specific functions, which provide protection to products :
 - (i) Stop pilferage during transit or storage
 - (ii) Absorption of moisture
 - (iii) Avoid breakage or damage due to rough handling during transportation
 - (iv) Protect from loss of liquid or vapour.
2. **Appeal** : Method to use the product, attractive advertising message and clear instruction given on the package label plays the role of a silent salesman as an effective appeal. The following characteristics have been identified to help on package perform the self-selling task :
 - (i) It helps in attracting attention.
 - (ii) It helps in telling the product story.
 - (iii) It helps to look clean and hygienic.
 - (iv) It helps to in-build confidence.
 - (v) It must be easy to handle, to store and to use.
3. **Performance** : This is the third function of a package. It must be able to perform the task for which it is designed. Hexit and Lifebuoy liquid are two examples of packages that perform functionally because the product is useless unless the gun works to complete the product usages.

4. **Packaging for Convenience** : Packaging provides convenience to distribution channels and consumers because it must be designed in such a way that it must be convenient to stock. The convenience will relate to handling and stocking of packages. It helps to intermediaries and consumers in the following way :
 - (i) It must be convenient to transport.
 - (ii) The packaging must be convenient to display.
 - (iii) It must be convenient to handle.
 - (iv) The packaging must be convenient so that it does not waste shelf-space.
5. **Cost-effectiveness** : The packaging must be cost-effective. Packaging cost varies from one industry to another. The following costs are considered in determining packaging cost as a percentage of total cost :
 - (i) Handling cost
 - (ii) Storage cost
 - (iii) Transport cost
 - (iv) Insurance cost for the transit period

Strategies of Packaging

Various strategies for packaging are as below :

1. **Multiple Packaging Strategy** : In multiple packaging marketers take practice of placing several units in one container.
2. **Re-use packaging strategy** : In re-use packaging, the company designs and promotes a package that can use other purposes after the original contents have been consumed.
3. **Changing the package strategy** : A firm makes new products from time to time. So, it must be essential to change packaging in place of old packaging.
4. **Cost-effectiveness strategy** : According to cost effectiveness strategy packaging is essential for a product so it should not become an unnecessary evil. Thus, it is important to study and compare the costs involved in packaging against benefits generated additionally.

Types of Package

There are four types of packages :

1. **A consumer package** : In consumer package the consumer has the option to purchase the pack size which he considers adequate for the consumption of his family.
2. **A bulk package** : Bulk packages are generally used for industrial consumers like steel drums for paints, gallons for kerosene oil (20 liters) etc.
3. **An Industrial package** : Industrial packages are found in industrial area for durable goods. For example, Heavy-Machine packed with wooden materials.
4. **A dual use package** : In dual use packaging can be used after its contents have been consumed. For example, drinking glasses, bottles, boxes of jewellery, waste-baskets etc.

Q.10. What do you mean by the term 'brand'. Explain about creating a demand.

Ans.

Meaning of Brand

Brands have long been used to set products apart and have taken many different forms. For example, the oldest known generic brand still used today is an herbal paste from India called *Chyawanprash*. In the 13th century, Italians began putting watermarks on their paper as a form of branding. The term "brand" also refers to the unique marks burned into the hides of cattle to distinguish the animals of one owner from those of another.

A brand is seen as one of a company's most valuable assets. It represents the face of the company, the recognizable logo, slogan or mark that the public associates with the company. In fact, the company is often referred to by its brand, and they become one and the same. A company's brand carries with it a monetary value in the stock market (if the company is public), which affects stockholder value as it rises and falls. For these reasons, it's important to uphold the integrity of the brand.

A brand is a name given to a product and/or service such that it takes on an identity by itself. It is an identifying symbol, mark, logo, name, word and/or sentence that companies use to distinguish their product from others. Additionally, it also means an inherent assurance to the customers for quality. A combination of one or more of those elements can be utilized to create a brand identity. Legal protection given to a brand name is called a trademark. The best examples of brand names are Liril, Lux, Rexona, Hamam, Nevia, Parker pen, Alto car etc.

Definitions of Brands

As per P. Taylor, "Brand is a marketing tool that allows consumers to recognize the maker of a product".

According to Peter Doyale, "A Successful brand is a name, symbol, design or some combination, which identifies the 'product' of a particular organization as having sustainable differential advantages."

As per William J. Stanton, "All trademarks are brands and thus include the words, letters, or numbers which may be pronounced; they may also include a pictorial design."

American Marketing Association states that "A brand name is a name, term, symbol or design or a combination of them which is intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors."

Brand is a name, symbol, term, sign, design or combination of all which are used to identify to product or service and increase the number of buyers by differentiating them from the other products.

Creating a Brand

When a company decides to settle on a brand to be its public image, it must first determine its brand identity, or how it wants to be viewed. For example, a company logo often incorporates the message, slogan or product that the company offers. The goal is to make the brand memorable and appealing to the consumer. The company usually consults a design firm or design team to come up with ideas for the visual aspects of a brand, such as the logo or symbol. A successful brand accurately portrays the message or feeling the company is trying to get across and results in brand awareness, or the recognition of the brand's existence and what it offers. On the other hand, an ineffective brand often results from miscommunication.

Once a brand has created positive sentiment among its target audience, the firm is said to have built brand equity. Some examples of firms with brand equity - possessing very recognizable brands of products-are Microsoft, Coca-Cola, Ferrari, Apple and Facebook.

If done right, a brand results in an increase in sales for not just the specific product being sold, but also for other products sold by the same company. A good brand engenders trust in the consumer and, after having a good experience with one product, the consumer is more likely to try another product related to the same brand. This phenomenon is often referred to as brand loyalty.

Q.11. Discuss the various advantages of marketing mix.

Ans. Advantages of Marketing Mix

The following points explain the importance of marketing mix :

- 1. Assists in a Solid Mix Creation :** Firm's marketing mix should have all the P's compatible with each other. The price should be compatible with the placement of the product. The product should be compatible with the promotions. In general, all the P's are essentially linked to each other.
As a result, when we are making a marketing mix, it becomes a chain of strong bonds and whenever we are considering adding a new feature or changing existing things, we have to look at the overall picture, which helps in creating a clean marketing mix for the product.
- 2. Helps in New Product Development :** While designing an existing product, there are so many ideas which can come up for a related product that can be designed by the company. The pricing, place and promotions might be different for such a product. However, it can be classified as a new product and hence while designing the marketing mix, the company can come up with good ideas for new product development as well.
- 3. Assists in Increasing the Product Portfolio :** Whenever we want to increase the product depth or product line and length, we have to make minor changes to the product. In essence, we are making minor changes in the marketing mix itself. We are making changes to the product features, to its pricing and possible to its promotions. As a result, by altering the marketing mix and certain features within it, we can end up with an enlarged product portfolio.
- 4. Acts as a Guide to Improve a Business :** Physical evidence was an important P in the service marketing mix. If a restaurant or an interior design business realises its importance, then naturally they can act on it and improve the physical evidence of their business thereby bringing in more business.
The importance of marketing mix is marked in more than a single P. People and process are important to the organization too and optimizing both can improve the overall working of the organization. Hence, marketing mix is an excellent guide if someone wants to improve their business.
- 5. Provides Differentiation :** When we analyse the marketing mix of competitors, there are many different ways that we can differentiate ourselves from the competitor. The competitor might have poor promotions and by analysing them, we can create better promotions of our own product.
The competitor might have poor placement of products or he might have the wrong process or the wrong people in place. All this can be improved upon giving a better marketing mix and therefore we enjoy with a competitive advantage in the market.
- 6. Assists to Being Dynamic :** A company which is well prepared is also prepared when disaster strikes. During recession or during a poor business environment, a company should be ready to respond. At such times, the company needs to be dynamic in nature. Such a company needs to understand its product, processes, people, promotions and all other P's better. If it understands them, it will respond with a better way.

Thus, there are many ways that marketing mix may be important to an organization. The best part is, analysing and understanding the marketing mix.

MULTIPLE CHOICE QUESTIONS

Q.1. The process of grouping buyers into different categories having common desires or needs is termed as :

- (a) market orientation (b) market segmentation
(c) market plan (d) None of these

Ans. (b) market segmentation

Q.2. Who said that "A product is a cluster of psychological satisfaction"?

- (a) George Fisk (b) R.S. Davar (c) Philip Kotler (d) De Villiers

Ans. (a) George Fisk

Q.3. These type of goods are also called Fast Moving Consumer Goods.

- (a) Durable goods (b) Non-durable goods
(c) Both (a) and (b) (d) None of these

Ans. (b) Non-durable goods

Q.4. means putting identification marks on the package.

- (a) Branding (b) Labelling (c) Marketing (d) None of these

Ans. (b) Labelling

Q.5. The process of selecting the target market from the entire market is called as :

- (a) market positioning (b) market evaluating
(c) market targeting (d) None of these

Ans. (c) market targeting

Q.6. Anything that can be offered to a market for attention, acquisition, use or consumption that might satisfy a want or need is called :

- (a) demand (b) idea (c) product (d) service

Ans. (c) product

Q.7. buy Products and use Product :

- (a) Consumers, customers (b) Customers, consumers
(c) Buyers, sellers (d) Buyers, customers

Ans. (b) Customers, consumers

Q.8. means the classification of Standardised Products into well defined classes or groups.

- (a) Gradation (b) Segmentation (c) Standardisation (d) Specification

Ans. (a) Gradation

Q.9. An organization with several product lines has which one of the following mix that consists of all the product lines and items which a particular seller offers for sale?

- (a) Product Mix (b) Brand Mix (c) Consumer mix (d) Packaging mix

Ans. (a) Product Mix

Q.10. New Product Development starts with which one of the following steps :

- (a) idea Screening (b) concept Testing
(c) idea generation (d) test Marketing

Ans. (c) idea generation

Q.11. Testing of a New Product in selected market segments before full scale marketing is known as :

- (a) acid test (b) concept testing (c) market test (d) test marketing

Ans. (c) market test

Q.12. In the of Product Life Cycle the demand goes up, size of the market expands, sales and profits increases.

- (a) introduction stage (b) growth stage
(c) maturity stage (d) decline stage

Ans. (b) growth stage

Q.13. The of Product Life Cycle normally keeps on lasting for a longer period than other stages and sales level falls flat due to market saturation :

- (a) introduction stage (b) growth stage
(c) maturity stage (d) decline stage

Ans. (c) maturity stage

Q.14. is attaching a tag with a product that describes it.

- (a) Branding (b) Packaging
(c) Labelling (d) Grading

Ans. (c) Labelling

Q.15. The Packaging Design Test that ensures the dealers find the product attractive and convenient to handle easily is known as :

- (a) structuring test (b) dealer test
(c) optical test (d) storing convenience

Ans. (b) dealer test

Q.16. "Brand is a marketing tool that allows consumers to recognize the maker of a product." Who said this statement?

- (a) Peter Doyale (b) William Stanton
(c) Rajeev Singh (d) P. Tailor

Ans. (d) P. Tailor

Q.17. is the primary function of packaging which protects the products from the environmental and physical hazards.

- (a) Appeal (b) Cost-effectiveness
(c) Protection (d) None of these

Ans. (c) Protection

Q.18. When brand is used for different local market with different name is called :

- (a) regional brand (b) national brand
(c) local brand (d) international brand

Ans. (c) local brand

Q.19. The first step of product development is :

- (a) idea screening (b) idea generation
(c) business analysis (d) test marketing

Ans. (b) idea generation

Q.20. What are the main steps involved in market segmentation?

- (a) Identify the target market
- (b) Identify expectations of target audience
- (c) Create sub-groups
- (d) All of the above

Ans. (d) All of the above

Q.21. packaging is also referred to as retail packaging.

- (a) Primary
- (b) Secondary
- (c) Tertiary
- (d) None of these

Ans. (a) Primary

Q.22. Under, manufacturers use his products brand in the whole country.

- (a) regional brand
- (b) local brand
- (c) national brand
- (d) None of these

Ans. (c) national brand

Q.23. Feature(s) of a good brand name is/are :

- (a) easy to read
- (b) easy to remember
- (c) easy to spell
- (d) All of these

Ans. (d) All of these

Q.24. At this stage of product life cycle, sales continue to increase but at a decreasing rate :

- (a) maturity stage
- (b) growth stage
- (c) saturation stage
- (d) decline stage

Ans. (a) maturity stage

Q.25. The last phase of product development is :

- (a) test marketing
- (b) commercialisation
- (c) product development
- (d) None of these

Ans. (b) commercialisation

UNIT-III

Product Pricing and Promotion

SECTION-A (VERY SHORT ANSWER TYPE QUESTIONS)

Q.1. What do you mean by the term 'price'?

Ans. Price is the amount of money charged for a product or service. In other words, it is the amount of money that has to be paid to acquire a given product for the benefits or satisfaction of having, or using, a product or service by consumers. In the marketing context, price is said to be one of the constituents of the 'marketing mix', which also includes quality, design, advertising, marketing and distribution as well as price. However, one critical difference between price and other ingredients of the marketing mix is that price produces revenue while the other elements produce costs, so that the setting of an appropriate price is critical for a company's success.

Thus, the total revenue of company depends upon three important factors *i.e.*, cost, price and sales value.

Q.2. What is meant by the term 'pricing'?

Ans. Pricing may be defined as the process whereby a business sets the price at which it will sell its products and services, and may be part of the marketing plan of the business. In other words, Pricing can be defined as a process of determining the value that is received by an organization in exchange of its products or services. It acts as a crucial element of generating revenue for an organization. Therefore, the pricing decisions of an organization have a direct impact on its success.

Q.3. What factors are considered while setting the price of a product or service?

Ans. While setting the price of a product or service the following points have to be kept in mind :

1. Nature of the product/service.
2. The price of similar product/service in the market.
3. Target audience *i.e.*, for whom the product is manufactured (high, medium or lower class).
4. The cost of production *viz.* Labor cost, raw material cost, machinery cost, inventory cost, transit cost, etc.
5. External factors such as Economy, Government policies, Legal issues, etc.

Q.4. Differentiate between price and pricing.

Ans. Price is one of the most important 'P' in the marketing mix of organizations. It is the amount of money to be paid to buy something. In simple terms, price is defined as a numerical statement of what a customer must pay for a product or service.

But, pricing is the process of setting objectives, developing strategies, setting up prices and engaging in implementation and control. Thus, price represents only the amount of money but, pricing concerned with entire process of finalize the price of a product.

Q.5. Discuss the cost oriented pricing policy.

Ans. It is also called as cost-plus pricing policy. Under this method, the cost estimate of the product is made and a margin of profit is added to it to determine the price. The margin is known as 'Mark-up' and cost plus pricing is also known as 'Mark-up-pricing'. Fixing a tentative price is easier under this method. But, this policy is completely overlooks the influences of competition and market demand. A formula is used in cost plus pricing :

$$\text{Selling Price} = \text{Total Cost} + \text{Desired Profit}$$

Q.6. What is meant by rebate?

Ans. The rebate is a type of allowance provided to customers on goods purchased as a deduction in the catalogue price. The rebate is allowed to customers, when their purchase in quantity or in value, reaches a specified limit. The amount returned to the buyer by the seller, at the time of making complete payment for the purchases is known as a rebate. It is a tool used by the sellers to promote sales in large quantities. The amount of rebate provided to the buyer is pre-decided by the seller.

Q.7. What do you mean by promotion?

Ans. Promotion refers to any type of marketing communication used to inform or persuade target audiences of the relative merits of a product or service. In other words, Business promotion is communicating with the public in an attempt to influence them toward buying your products and/or services.

Q.8. Define the term 'promotion' as per Douglas W. Mellat.

Ans. As per Douglas W. Mellat, "Promotion is the chief means a firm has of influencing buyer behaviour without Cutting Prices. It succeeds or fails to the degree that it communicates or fails to communicate product benefits to customers."

Q.9. What are the main features of promotion?

Ans. Following are the main features of promotion are :

1. Promotion is a form of communication.
2. It communicates marketing information to consumers, users and resellers.
3. It persuades and convinces the buyer and influences his/her behaviour to take the desired action.
4. Promotional efforts act as powerful tools of competition, providing the cutting edge of its entire marketing programme.
5. It compasses all the tools in the marketing-mix *i.e.*, adverting, personal selling, sales promotion and publicity.

Q.10. Discuss the term promotion-mix.

Ans. Promotion-mix refers to the combination of different kinds of promotional tools used by a business firm to create, maintain and increase the demand of products. These promotional tools which make-up promotion-mix are: advertising, personal selling, sales promotion, public relation and publicity. These are also known as elements of promotion-mix.

Q.11. Explain the term personal selling.

Ans. Personal selling is the face-to-face presentation of a product, service or an idea to a potential customer or customers by a representative of the company or organization. This is the most effective way of persuading the customers. It is a promotional method by which the salesperson uses his or her skills and abilities in an attempt to make a sale. However, getting a customer to buy a product is not the motive behind personal selling every time. Often companies try to follow this approach with customers to make them aware of a new product.

Q.12. What is meant by direct marketing?

Ans. Direct marketing is a form of advertising where organizations communicate directly to customers through a variety of media including cell phone text messaging, email, websites, online adverts, database marketing, fliers, catalog distribution, promotional letters and targeted television, newspaper and magazine advertisements as well as outdoor advertising. Among practitioners, it is also known as a direct response.

Q.13. Discuss the push strategy of promotion.

Ans. "Push" strategy requires use of sales force and trade promotion to push the product through channels. It is generally appropriate for product categories where low brand loyalty is and many acceptable substitutes are available in the market. The producer aggressively promotes the product to wholesaler, whole-seller aggressively promotes the product to retailers and the retailers aggressively promote the product to consumers. Push strategy is appropriate where low brand loyalty is and product is new, brand choice is made in the store because the product purchase is unplanned.

Q.14. Discuss the term 'sales quota'.

Ans. A sales quota refers to a time-bound sales target set by management for a particular region, sales team, or individual rep. Sales quotas are often attached to a daily, monthly, or quarterly period. Sales quotas can be measured in a number of different ways, including by profits, sales, or representative activity.

In other words, Sales Quota is the sales goal or figure set for a product line, company division or sales representative. It helps the managers to define and stimulate sales effort.

Q.15. What do you mean by the term 'advertising'?

Ans. The term 'advertising' originated from the Latin word 'adverto' which means 'to turn' the attention. In daily life we encounter hundreds of messages through television, sky board, newspapers, magazines, loudspeakers and other sources of media. Hence, it can be said that anything that turns the attention to an article or a service or an idea may be called as advertising. It is a presentation for promoting the ideas, goods and services to create awareness and assist in selling the product.

Q.16. Differentiate between advertising and publicity.

Ans. Following points highlight the major differences between advertising and publicity :

S.No.	Advertising	Publicity
1.	Advertising is paid for by its sponsor.	Publicity is usually not paid by its sponsor.
2.	Advertising is done by an identified sponsor.	But in publicity sponsor is not Identified.
3.	Advertising is always impersonal.	Publicity may be both impersonal and personal.
4.	The advertiser exercises control over the type, size, duration and frequency of the message.	In case of publicity, the control lies with the publicity media.

Q.17. What is meant by sales promotion?

Ans. Sales promotion includes all those short-term and non-recurring marketing activities, other than personal selling advertising and publicity that stimulate consumer purchasing and dealer effectiveness. For example, free samples, premium on sale, sales and dealer incentives, contests, fair and exhibitions, public relation activities etc. The main objective of sales promotion is to attract prospective buyer toward the product and induce him to buy the product at the point of purchase.

Q.18. Give the various definitions of sales promotion.

Ans. Following are the major definitions of sales promotion :

1. "Sales promotion consists of short-term incentives to encourage purchase or sale of a product or service."
—*Philip Kotler*
2. "Sales promotion is as demand stimulating devices designed to supplement advertising and facilitate personal selling."
—*W. J. Stanton*
3. "Sales promotion is an action-focused marketing event whose purpose is to have a direct impact on the behaviour of the firm's customers."
—*Institute of Sales Promotion (U. K.)*
4. "Sales promotion refers to those promotion activities other than advertising, publicity and personal selling that stimulate interest, trail or purchase by final customers or others in channel."
—*E. J. McCarthy*

Q.19. Discuss the various disadvantages of sales promotion.

Ans. Major disadvantages of sales promotion are as follows :

1. It is short run-device used to stimulate immediate increase in demand.
2. The second criticism is that such discounts are not real, since the prices of the products are already inflated.
3. Sales promotion activities became ineffective because some times they are used to promote defective products or old product.
4. These promotional activities are for shorter period. After this period when concessions are withdrawn, the demand also falls.
5. It damages the brand image through promotional ingredient is like praising too much of a thing.

Q.20. What are the merits of radio advertising?

Ans. Main merits of radio advertising are as follows :

1. Coverage is very wide and carry an effective appeal.
2. Radio advertisements reach the illiterate people who cannot read the news papers and magazines.
3. It claims the advantage of memorizing value.
4. Radio provides selectivity to some extent because advertisements can be included in different programmes meant for different type of people.
5. Radio advertisements are very much suitable for the promotion of mass-scale consumer goods.

SECTION-B (SHORT ANSWER TYPE) QUESTIONS

Q.1. What are the various types of pricing strategies?

Ans. Types of Pricing Strategies

Pricing strategy takes many factors into account, such as established companies and new entrants in the market, as well as other factors like, customers, company pricing goals, various market segments, economic conditions, market sector conditions, strength of competitors etc. Some important pricing policies are :

1. **Premium Pricing** : Under that high price is used as a defining criterion. Such pricing strategies work in segments and industries where a strong competitive advantage exists for the company. Example: Range Rover in cars and Gillette in blades.
2. **Penetration Pricing** : That price is set artificially low to gain market share quickly. This is done when a new product is being launched. It is understood that prices will be raised once the promotion period is over and market share objectives are achieved. Example : Mobile phone rates in India; housing loans etc.
3. **Economy Pricing** : It is economic price and on it margins are comparatively low. For example, overheads like, marketing and advertising costs are very low. It targets the mass market and high market share. Example : Friendly wash detergents; Nirma; local tea producers.
4. **Skimming Strategy** : It is high price which charged for a product till such time as competitors allow after which prices can be dropped. The idea is to recover maximum money before the product or segment attracts more competitors who will lower profits for all concerned. Example : the earliest prices for mobile phones, laptops, LEDs and other electronic items.

Q.2. Discuss the various types of discounts.

Ans. Types of Discounts

Discounts are deductions or special concession allowed by the seller from the base price of products. These discounts tend to customers for heavy purchase.

These discounts could be the following types :

1. **Trade Discount** : These discount are given to manufacturers, wholesalers and retailers but not available to end users. They are usually allowed in bulk purchasing.
2. **Quantity Discount** : Quantity discount offered from the list prices for bulk purchase orders. Quantity discounts may attract large buyers or induce small buyers to order large quantities.
3. **Cash Discount** : Cash discount is given when payments is made on or before a particular date. It is in addition to the trade discount and not in place of it.
4. **Seasonal Discount** : This refers to discount offered during a particular season. It is mostly offered during off-season. For example, fans sold in winter season on seasonal discount basis.

Q.3. Differentiate between discount and rebate.

Ans. Difference between Discount and Rebate

Following points highlight the difference between discount and rebate :

Basis	Discount	Rebate
Definition	Discount is the reduction offered by a seller to the buyer from the purchase price of goods or services.	Rebate is refund or return of currency value that a seller of goods provides to the buyer for various different reasons.
Reasons	To promote high quantity purchases or receive early payments before a certain due date.	For various reasons which are unfavourable during the purchase cycle, such as; poor quality, delay in delivery, etc.
Types of Transaction	Trade discount is offered both on cash and credit sale, however, cash discount is only offered on a prompt repayment.	The amount of rebate does not affect the original invoice as the adjustment is made post- sale. The effect is shown in trading account & the income statement.
Type of Strategy	Marketing strategy.	Sales promotion strategy.
Timing	It is applied at the time of occurrence of an event <i>i.e.</i> , before the sale or purchase has been completed.	It is used after an event has been recorded <i>i.e.</i> , post the sale or purchase has been completed.
Consideration	Trade discount is provided considering the quantity bought. Cash discount is provided considering the time of payment.	Rebate is provided considering all the reasons for which a trade discount or cash discount is not offered.

Q.4. Elaborate the various kinds of promotion.

Ans. Kinds of Promotion

The companies having different objectives choose different kinds of promotion :

- 1. Informative Promotion :** The primary objective of every promotional activity is to disseminate information about the product, product line, brand, and the company. The informative promotion is prevalent at every stage of product life cycle and is an essential ingredient for creating the primary demand. The marketers adopt this promotion strategy to convince the customers. It is based on the view that the customer will purchase the product only if he has the adequate information about it.
- 2. Persuasive Promotion :** The persuasive promotion is prevalent at the growth stage of a product where the primary objective of the management is to persuade people to buy. The basic purpose of this promotion strategy is to stimulate purchase and create a positive image of the product in the minds of customers in order to influence their long-term behaviours. Many firms do not adopt this kind of promotion as it involves high-pressure selling.
- 3. Reminder Promotion :** The reminder promotion is often adopted at the stage when a product reaches its maturity. The purpose of such promotion is to keep the product alive in the minds of the customers. Here, the firm emphasizes on the product's utility, features, brand names with the intent to make customers remind the product. This promotion strategy acts as a "memory jogger" that enables the customers to remember the product and influences their long-term buying behaviour.

4. **Buyer behaviour Modifications** : The effect of promotional strategies could be accessed through the modifications in the consumer behaviour. The constant personal selling and repeated advertisements could be used to measure the effectiveness of such promotional schemes.

Q.5. Differentiate between push and pull strategies of promotion.

Ans. Difference between Push and Pull Strategy

Following points highlight the difference between push and pull strategy :

Basis	Push Strategy	Pull Strategy
Meaning	Push strategy is a strategy that involves direction of marketing efforts to channel partners.	Pull strategy is a strategy that involves promotion of marketing efforts to the final consumer.
What is it?	A strategy in which third party stocks company's product.	A strategy in which customers demand company's product from sellers.
Objective	To make customer aware of the product or brand.	To encourage customer to seek the product or brand.
Uses	Sales force, Trade promotion, money etc.	Advertising, Promotion and other forms of communication.
Emphasis on Suitability	Resource Allocation. When the brand loyalty is low.	Responsiveness. When the brand loyalty is high.
Lead Time	Long	Short

Q.6. What are the major features of personal selling?

Ans. Features of Personal Selling

These definitions point out the following basic features of salesmanship :

1. **A face-to-face Interaction** : Salesmanship is an art of face-to-face and interpersonal interaction among Salesperson and potential customers. It involved direct and personal contract between the seller and his representative with the prospective buyer.
2. **Involves Persuasion of Customers** : Salesmanship is the skill of convincing people and persuading them to by a certain product, service or idea. It is an attempt to induce people to buy goods.
3. **Provides Necessary Information** : A salesman possesses a good knowledge about product availability, their broad features and their uses and utility that helps to communicate it to potential buyers.
4. **Involves Winning Buyer's Confidence** : It consist in winning the buyer's confidence through providing real service and a solution to his problems. Thereby winning a regular and permanent customer and buyer's confidence forever.
5. **A Science and an Art Both** : Salesmanship is a systematically arranged and specialized body of knowledge and based on human psychology. So that it is like a social science.

Q.7. Write the meaning and definitions of sales management.

Ans. Meaning of Sales Management

Sales Management directly concerned with the management of sales function. In current era Sales Management involves the functions of Sales planning, budgeting, policy framing, and coordination of sales force, direction and control regarding sales activities. The term 'Sales Management' attained wider and newer dimensions since it included management of all the

marketing activities such as sales promotion, personal selling, advertising, marketing research, Physical distribution, Pricing and the like, in addition to the management of sales force.

Definitions of Sales Management

“Sales Management” as “The planning, direction and control of personal selling, including recruiting, selecting, equipping, assigning, routing, supervising, paying and motivating as these tasks apply to personal sales force.” —*American Marketing Association*

“The overall management of sales and it refers to only a specialized application of the process of management as a whole.” —*Professor Breach*

“Sales Management includes recruiting, selecting, training, supervising, motivation and evaluating the sales force.” —*Mr. Rachman and Romano*

Q.8. Discuss the major objectives of personal selling.

Ans. Objectives of Personal Selling

Personal selling is used to meet the five main objectives of promotion in the following ways :

1. **To build Product Awareness :** A common task of salespeople, especially when selling in business markets, is to educate customers on new product offerings. In fact, salespeople serve a major role at trade shows, where they discuss products with prospective buyers. Building product awareness and word-of-mouth marketing is leading to personal selling and becoming a useful mechanism for introducing consumers to new products.
2. **To Create Interest :** The fact that personal selling involves person-to-person communication makes it a natural method for getting customers to experience a product for the first time. In fact, creating interest goes hand-in-hand with building product awareness as sales professionals can often accomplish both objectives during the first encounter with a potential customer.
3. **To Provide Information :** When salespeople engage customers a significant amount of the conversation focuses on product information. Consequently, most marketing organizations provide their sales staff with extensive sales support, including slide presentations, brochures, research reports, online videos and many other forms of informational material.
4. **To Stimulate Demand :** The most fundamental objective of personal selling is to convince customers to make a purchase. Getting customers to buy is the prime function of a large segment of selling jobs.
5. **To Reinforce the Brand :** Most personal selling is intended to build long-term relationships with customers. A strong relationship can only be built over time and requires regular communication with a customer. Meeting with customers on a regular basis allows salespeople to repeatedly discuss their company's products and by doing so helps strengthen customers' knowledge of what the company has to offer.

Q.9. Discuss the various methods of sales forecasting.

Ans. Methods of Sales Forecasting

There are four important methods of sales forecasting. They are explained as follows :

1. **Statistical Method :** Trend Analysis, a statistical tool, helps to predict future sales based on the past sales figures of a business.
2. **Sales Force Opinion Method :** In this case, the sales representatives of the business are asked to forecast sales for their respective areas. Their views will be combined with

those of the sales managers in arriving at an estimate. The sales representatives have sound knowledge of the trend in their respective sales territories and their views are important in sales forecast.

3. **Customers' Expectation Method** : Under this method, the customers are directly approached and their requirements in the near future are ascertained. This approach is particularly suitable in the case of industrial goods where the number of buyers is limited and can be personally contacted. In the case of consumer products, only sample approach is possible, as there are a large number of such buyers.
4. **Jury of Executive Opinion Method** : This is a conventional approach to sales forecasting. Under the Jury of Executive opinion method, sales forecasts are made based on the opinions of the top executives of the company. The executives will take into account the past performance of the business, the present market conditions and the future trend before arriving at a conclusion. This is a very simple method of sales forecast and the approach is mainly subjective.

Q.10. Explain the various advantages of sales forecasting.

Ans. Advantages of Sales Forecasting

Following are the main advantages of sales forecasting :

1. It assists in cutting down wasteful expenditure and as a result the goods can be offered at a fair price.
2. Forecast enables the production manager to set target for his workers.
3. It enables the sales department to fix responsibilities on every salesman.
4. Sales forecasting enables a business organization to work systematically.
5. Sales forecast enables all the departments of the business to work together in proper co-ordination and co-operation.
6. As target is set for each individual and department, it is easy to control performance.
7. In the absence of sales forecast, a business enterprise may work without any focus and this may result in wastage of its resources.
8. It assists in determining the production capacity that is actually required.
9. Sales forecast helps in product mix decisions as well. It enables the business to decide whether to add a new product to its product line or to drop an unsuccessful one.
10. Sales forecasting is vital for preparing budget.

Q.11. Discuss the various types of sales quota.

Ans. Types of Sales Quota

Following are the various types of sales quota :

1. **Volume-Based Sales Quota** : This quota is measured based on the number of units sold or the total revenue generated for a given period. This motivates a salesperson to sell as many units as possible and is best suited for businesses with short sales cycles and fixed pricing.
2. **Profit-Based Sales Quota** : This type of sales quota is measured based on company profits, making both selling units as well as controlling costs. Companies using a profit-based quota benefit from increased sales productivity as staff are incentivized to focus their efforts on closing deals with the greatest value.
3. **Activity-Based Sales Quota** : It is based on a salesperson or sales team achieving a quantifiable activity, such as making a number of phone calls or attending a set number of meetings. This type is measured by an activity log such as a call sheet or trip report.

This is beneficial for indirect sales groups or teams with several people contributing to a single sale.

4. **Cost-Based Sales Quota :** This type of sales quota measures a team member's ability to reduce costs per deal-such as time invested-rather than focusing on revenue. Businesses take benefit from this type as it increases staff efficiency, therefore improving company profitability. As a result, a cost-based quota is best suited for service organizations where sales or profitability are dependent on factors such as time to close a deal or resources spent consulting on a project.

Q.12. Explain the meaning and concept of advertising.

Ans. Meaning and Concept of Advertising

The term 'advertising' originated from the Latin word 'adverto' which means 'to turn' the attention. In daily life we encounter hundreds of messages through television, sky board, newspapers, magazines, loudspeakers and other sources of media. Hence, it can be said that anything that turns the attention to an article or a service or an idea may be called as advertising. It is a presentation for promoting the ideas, goods and services to create awareness and assist in selling the product.

Advertising is very commonly used for the announcements made by seller to promote the sales of their products. Advertising refers to mass selling techniques used when direct face-to-face selling is not possible or is too expensive and time consuming. It is an effective communication process, a means to exercise the right to choose and definitely an unavoidable means of doing business for all kinds of industries.

Advertising is one of the four methods of promotion, viz. sales promotion, personal selling, public relation and advertising. Advertising is a non-personal communication of sales message. It is also known as mass selling. It is not as effective as personal selling, but it does facilitate communication with a large number of potential buyers at a time. Advertising is aimed at a group of persons and not at an individual. But it is not for the whole general public because all the members of a society do not make up the target group. The message of advertising is designed to arouse the demand of the target group. It consists of some important elements which have great significance in modern Advertising : (a) the message (b) the target segments (c) the communication and (d) the media.

Q.13. Give the various definitions of advertising.

Ans. Definitions of Advertising

Advertising can be defined as the soul of marketing in today's world of cut-throat competition. Advertising management is the main task of the advertiser who directs and controls the advertising activities. It covers analysis, and the planning, control and decision-making activities of the advertiser. It has been defined by many ways by several authors. Some of these are discussed as below :

"Advertising is paid, non-personal communication through various media by business firm."

—Dunn, S. W. and Barban

"Advertising is as any paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor"

—Philip Kotler

"Advertising is salesmanship without a personal salesman"

—Mason and Rath

"Advertising can be described as the art of creating a demand for an article or a service."

—C. L. Bolling

"Advertising is causing to know to remember to do."

—Wood

"Advertising consists of all the activities involved in presenting to a group a non-personal, oral or visual, openly sponsored message regarding a product, service or idea" —W. J. Stanton

"Advertisement is, "any paid form of non-personal presentation and promotion of ideas, goods and services by an identified sponsor." —American Marketing Association

"Advertising is a form of paid non-personal presentation of ideas, goods or services for the purpose of inducing people to buy." —Bayard O. Wheeler

"Advertisement is salesmanship in print."

—Lasker

"Advertising is a sort of machine made mass production method of selling which supplements the voice and personality of the individual salesman."

—Dr. Jones

Q.14. What are the main features of advertising?

Ans.

Features of Advertising

Main features of advertising are :

1. **It has Wide Applicability** : Advertising is a popular and widely used means for communicating with the target market. It is not used only for business and profession, but is widely used by museums, charitable trusts, government agencies, educational institutions and others to inform and attract various target publics.
2. **Non-personal** : Advertising is a type of non-personal or mass communication with the target audience. A large number of people are addressed at time. It is called as non-personal salesmanship.
3. **Paid Form** : Advertising is not free of costs. Advertiser, called as sponsor, has to spend money for preparing message, buying media, and monitoring advertising efforts. It is the costliest option of market promotion. Company has to prepare its advertising budget to appropriate advertising costs.
4. **Tool for Market Promotion** : There are various tools used for market communication, such as advertising, sales promotion, personal selling, and publicity. Advertising is a powerful, expensive and popular element of promotion mix.
5. **Varied Objectives** : Advertising is aimed at achieving various objectives. It is targeted to increase sales, create and improve brand image, face competition, build relations with publics, or to educate people.
6. **Forms of Advertising** : Advertising message can be expressed in written, oral, audible, or visual forms. Mostly, message is expressed in a joint form, such as oral-visual, audio-visual, etc.
7. **It is a One-way Communication** : It involves the one-way communication. Message moves from company to customers, from sponsor to audience. Message from consumers to marketer is not possible. Marketer cannot know how far the advertisement has influenced the audience.
8. **Advertising as an Art** : Today's advertising task is much complicated. Message creation and presentation require a good deal of knowledge, creativity, skills and experience. So, advertising can be said as an art. It is an artful activity.
9. **Element of Truth** : It is difficult to say that advertising message always reveals the truth. In many cases, exaggerated facts are advertised. However, due to certain legal provisions, the element of truth can be fairly assured. But, there is no guarantee that the claim made in advertisement is completely true. Most advertisements are erotic, materialistic, misleading, and producer-centered.

10. **Use of Media :** Advertiser can use any of the several advertising media to convey the message. Widely used media are print media (newspapers, magazines, pamphlets, booklets, letters, etc.), outdoor media (hoardings, sign boards, wall- printing, vehicle, banners, etc.), audio-visual media (radio, television, film, Internet, etc.), or any other to address the target audience.

Q.15. What are the requisites of a good advertisement?

Ans. Requisites of a Good Advertisement

A good advertisement copy should fulfill the following attributes :

1. **Attention Value :** An advertisement copy must be made in such a way that it is able to draw the attention of the customers and create interest in the product service or idea. The methods usually adopted for making the advertisement copy attractive and capable of holding attention are :
 - (i) Using pictures and drawings
 - (ii) Using attractive heading and slogans
 - (iii) Using artistic borders and plenty of blank space
 - (iv) By introducing contents and reply coupons.
2. **Suggestive Value :** An advertisement must have suggestive value to the reader about necessity of the product advertised. Simple slogans may be used to make suggestions to the potential customers. For example :
ONIDA TV-"Owners pride, Neighbours' envy"
"Headache begins to get you down?-a Single Saridon clears that frown!"
3. **Memorizing Value :** The advertisement must make the people remember or retain the message. Advertisement should be capable of making the reader remember the product image quickly.
4. **Conviction Value :** An advertisement copy has conviction value. An ideal copy of advertising should make a direct appeal to reason by emphasizing the outstanding features of the product so that the consumer action on the advertisement may go in for it with confidence and superiority over competitive products. There are many ways of convincing the prospective customers through the advertisement. For example, products may be advertised in the form of a slogan to convince the people, e.g., Pepsodent toothpaste-"Stop bad breath with pepsodent while you fight tooth decay all day." Anacin-"relieves pain faster as it is microfined."
5. **Educational Value :** A good copy of advertisement educates the customers or people about the uses of the new products and should be capable of introducing new habits towards new product. It will obviously happen that a customer becomes aware about method of using product, method of preparing a dish, and so on. For example, methods for preparing Maggi Noodles.
6. **Action Value :** Advertisement copies must have action value to induce a person to buy. When buyer sees a well known symbol of a manufacturer, he quickly decides to buy the product because of the goodwill of brand from long time.

Q.16. 'Advertising is a social waste'. Do you agree? Discuss.

Ans. Criticism of Advertising

Advertising is beneficial to manufacturer, wholesalers and retailers, consumers, salesman and society also. But in spite of these benefits various objections against advertising are to be noted as under :

1. **Advertising Multiplies the Needs** : Advertising forces people to desire and buy things which, in fact, are not within their means or not required by them. Since advertisement is continuously repeated, it shifts the demand from one product in favour of advertised product.
2. **Makes the Product more Costly** : Some media of advertisement are costly. The advertiser pays more money on his products advertisement. Thus, distribution cost of product is comparatively high and the customers have to pay more for the product advertised.
3. **Creates brand Monopoly** : Through advertising a marketer lays emphasis on brand. This emphasis makes the consumer to become a slave of a particular brand. Thus, it can create brand monopoly and eliminate the small producers.
4. **Advertising Encourages Waste** : A large number of advertisement either escape the attention of the people or are ignored by them. Some times advertisement does not necessary. This leads to waste of money spent on advertisement.
5. **Social and Ethical Objections** : Sometimes advertisers use indecent. language and photographs to advertise their product which is highly objectionable from the society's point of view.

It is felt that advertisement can corrupt the minds of youngsters because advertising appeals makes him to use such products as might affect their health. Examples are Cigarettes and Liquors etc.

Q.17. What are the main features of sales promotion?

Ans. Features of Sales Promotion

Main features of sales promotion are as follows :

1. **Short term Activities other than Advertising, Personal Selling and Publicity** : Sales promotion includes short-term and non-recurring marketing activities, other than personal selling advertising and publicity that stimulate consumer purchasing. It does not include advertising, personal selling, and publicity.
2. **Non regular Activities** : Sales promotion activities are generally performed at certain times thus; these are not regular activities, like the display, fairs, and exhibitions, demonstration, seasonal discount, free gifts, etc.
3. **Helpful in Selling** : Sales promotions help in selling and it makes advertisements and personal selling easy and effective.
4. **Encouragement to Dealers** : Sales promotion encourages dealers and distributors to sell the product more.
5. **Encouragement to Customers** : Sales promotion encourages consumers also to buy the product.

Q.18. Explain the main objectives of sales promotion.

Ans. Objectives of Sales Promotion

The main objectives of sales-promotion are as below :

1. **Aims at Introducing New Products** : It is the main aim of sales promotion to introduce new product in the market through educating people. Dealers are also introducing new product and services in the market through free samples, cash discount offer. For new product introduction marketers can provide free samples, trade discount, cash discount, credit facilities etc. as a sales promotion measures.

2. **Attracting new Customers** : To attract new customers by offering samples, gifts, prizes etc., a marketer can try to encourage customers for use of new products or services.
3. **Inducing Customers to Buy More** : Sales promotion devices are most often used to induce the existing customers of a firm to buy more. Under this, discount coupons, buy two get one free scheme, Scratch coupons are used as a sales promotion measures.
4. **To Face Competition** : The one of the objective of sales promotion-activities is to face competition in market to create good public image of the product and the firm. To build up sufficient inventories and motivate the dealers to keep adequate stock, display goods prominently, use point of purchase displays and persuade customers to buy the promoter's brand etc. are important promotional measures to face competition in Market.
5. **Aims at Creating Goodwill** : Under this method, marketers usually use of incentive campaigns or contests etc. to create goodwill among the present as well as prospective customers.

Q.19. Discuss the various advantages of sales promotion.

Ans. Advantages of Sales Promotion

Following are the main advantages of sales promotion :

1. **It creates New Customers** : Sales promotion creates new customers who are brought in the orbit of sales by sales-promotion. It has to capacity to convert potential buyers into actual customers.
2. **Retains the Existing Customers** : Sales promotion activities tagging the customers to the product for a long time to satisfying their certain demands. Under this, a marketer stabilises sales volume by reassuring the customers about the quality and price of the product.
3. **Supplies Information** : The prime function of sales promotion is to inform the prospective buyers about product. The information made available by sales-promotion gives net the product features, but also the special concession and about product availability.
4. **Creates Product Identity** : Under this, a marketer ensures product differentiation of his product from the competitive products by supply data revealing the better features and attributes of its product than other competitive products.
5. **Sales Reduce the Costs** : Mass-distribution or sales induces mass production. On mass-level of production producers get higher margin, dealers get increased business and consumers reduced prices for their purchases.
6. **Combats Competition** : It is important weapon to face competition. Through sales promotion a marketer can try to prove his product better or excel with other competitive products on special shape, colour, features, attributes etc.
7. **Improves Standard of Living** : Least-cost and better quality of products availability improves standard of living of the customers.

Q.20. What are the major advantages of personal selling?

Ans. Advantages of Personal Selling

Following are the main advantages of personal selling :

1. **Benefits to Manufacturer** : Salesmanship is helpful in pushing up the sale of goods and services. Under this, face-to-face contract between buyer and salesperson ensures

satisfactory sales result. A salesman is as an 'eyes' and 'ears' of manufacturer and dealers. Through personal selling, a manufacturer or trader can, not only inform customers of his products, but can know their tastes, attitudes and behaviour.

Such feedback information is helpful in the design and development of products that match market demand. Through personal selling & business can gain permanent and loyal customers which are the prime and long-term objective of any business enterprises.

2. **Benefits to Consumer** : It facilitates full information, presentation and demonstration of product. So, it is easier to know about new products and uses of existing products. A sales-person always suggests the customer in buying products that will provide maximum satisfaction of their wants and after-sales service.
3. **Benefits to Society** : Salesmanship helps to generate income and employment through rapid and large sales potential. Consumer can get cheap and better quality products that improve wellness and living standard of society and in long-run it is recognized as a cause of socio-economic development of society.

SECTION-C LONG ANSWER TYPE QUESTIONS

Q.1. What are the essential steps involved in setting price for a product?

Ans. Essential Steps in Setting Price for a Product

Following are the major steps involved in setting price for a product :

1. **To Select the Pricing Objective** : The Company first decides where it wants to position its market offering. The clearer a firm's objectives, the easier it is to set price. Five major objectives are :
 - (i) Survival
 - (ii) Maximum current profit
 - (iii) Maximum market share
 - (iv) Maximum market skimming
 - (v) Product-quality leadership.
2. **Determining Demand** : Each price will lead to a different level of demand and have a different impact on a company's marketing objectives. The normally inverse relationship between price and demand is captured in a demand curve. The higher the price, the lower the demand. Most companies attempt to measure their demand curves using several different methods.
 - (i) Surveys
 - (ii) Price experiments
 - (iii) Statistical analysis.
3. **Estimating Costs** : For determination the price of Product, Company should estimate the cost of product.
 - (i) **Variable and Fixed Cost** : Price must cover variable & fixed costs and as production increases costs may decrease. The firm gains experience, obtains raw materials at lower prices, etc., so costs should be estimated at different production levels.
 - (ii) **Differential Cost in Differential Market** : Firms must also analyze activity-based cost accounting (ABC) instead of standard cost accounting. ABC takes into account

the costs of serving different retailers as the needs of differ from retailer to retailer.

- (iii) **Target Costing** : Also the firm may attempt Target Costing (TG). TG is when a firm estimates a new product's desired functions & determines the price that it could be sold at. From this price the desired profit margin is calculated. Now the firm knows how much it can spend on production whether it is engineering, design, or sales but the costs now have a target range. The goal is to get the costs into the target range.
4. **Analyzing Competitors' Costs, Prices, and Offers** : A firm should always analyze its price against competitors and learns about the quality of competitors offering and learn about competitor's costs.
5. **Selection of a Pricing Method** : There are various pricing methods which are available to give various alternatives for pricing. Some of these are :
- (i) **Markup Pricing** : Adding a certain percentage of a markup to the cost of the product to determine the selling price. For example, 20% markup, 25% Markup etc.
- (ii) **Target Return Pricing** : This is based on Return on Investment (ROI).
- (iii) **Perceived-Value Pricing** : Buyer's perception of the product is the main factor instead of cost so what is the product worth to consumer sets the price.
- (iv) **Value Pricing** : Value-based pricing is a methodology of setting prices primarily based on a consumer's perceived value of the product or service.
- (v) **Going Rate Pricing** : Setting a price for a product or service using the prevailing market price as a basis. Going rate pricing is a common practice with homogeneous products with very little variation from one producer to another.
6. **Selection of the Final Price** : Pricing methods provide the range from which the company must select its final price. In selecting that price, the company must consider additional factors.
- (i) Impact of other marketing activities.
- (ii) Company pricing policies.
- (iii) Gain-and-risk-sharing pricing.
- (iv) Impact of price on other parties.

Q.2. What are the major factors that affect pricing decisions?

Ans. Factors affecting Pricing Decisions

Factors that affect pricing decisions may be classified as internal factors and external factors which are explain below :

1. **Internal Factors** : Internal factors are internal to organization and, hence, are controllable. These factors play vital role in pricing decisions. They are also known as organizational factors. Manager, who is responsible to set price and formulae pricing policies and strategies, is required to know adequately about these factors.
- (i) **Top Level Management** : Top-level management has a full authority over the issues related to pricing. Marketing manager's role is administrative. The philosophy of top-level management is reflected in forms of pricing also. How does top management perceive the price? How far is pricing considered as a tool for earning profits, and what is importance of price for overall performance?

In short, overall management philosophy and practice have a direct impact on pricing decision. Price of the product may be high or low; may be fixed or variable; or may be equal or discriminative depends on top-level management.

- (ii) **Elements of Marketing Mix** : Price is one of the important elements of marketing mix. Therefore, it must be integrated to other elements (promotion, product, and distribution) of marketing mix. So, pricing decisions must be linked with these elements so as to consider the effect of price on promotion, product and distribution, and effect of these three elements on price.
For example, high quality product should be sold at a high price. When a company spends heavily on advertising, sales promotion, personal selling and publicity, the selling costs will go up, and consequently, price of the product will be high. In the same way, high distribution costs are also reflected in forms of high selling price.
- (iii) **Degree of Product Differentiation** : Product differentiation is an important guideline in pricing decisions. Product differentiation can be defined as the degree to which company's product is perceived different as against the products offered by the close competitors, or to what extent the product is superior to that of competitors' in terms of competitive advantages. The theory is, the higher the product differentiation, the more will be freedom to set the price, and the higher the price will be.
- (iv) **Costs** : Costs and profits are two dominant factors having direct impact on selling price. Here, costs include product development costs, production costs, and marketing costs. It is very simple that costs and price have direct positive correlation. However, production and marketing costs are more important in determining price.
- (v) **Objectives of Company** : Company's objectives affect price of the product. Price is set in accordance with general and marketing objectives. Pricing policies must be the company's objectives. There are many objectives, and price is set to achieve them.
- (vi) **Stages of Product Life Cycle** : At each stage of product life cycle needs different marketing strategies, including pricing strategies. Pricing depends upon the stage in which company's product is passing through. Price is kept high or low, allowances or discounts are allowed or not, etc., depend on the stage of product life cycle.
- (vii) **Product Quality** : Quality affects price level. Mostly, a high-quality-product is sold at a high price and vice versa. Customers are also ready to pay high price for a quality product.
- (viii) **Brand Image and Reputation in Market** : Price doesn't include only costs and profits. Brand image and reputation of the company are also added in the value of product. Generally, the company with reputed and established brand charges high price for its products.
- (ix) **Category of Product** : Over and above costs, profits, brand image, objectives and other variables, the product category must be considered. Product may be imitative, luxury, novel, perishable, fashionable, consumable, durable, etc. Similarly, product may be reflective of status, position, and prestige. Buyers pay price not only for the basic contents, but also for psychological and social implications.

(x) **Market Share** : Market share is the desired proportion of sales a company wants to achieve from the total sales in an industry. Market share may be absolute or relative. Relative market share can be calculated with reference to close competitors. If company is not satisfied with the current market share, price may be reduced, discounts may be offered, or credit facility may be provided to attract more buyers.

2. **External Factors** : External factors are also known as environmental or uncontrollable factors. Compared to internal factors, they are more powerful.

Pricing decisions should be taken after analyzing following external factors :

(i) **Demand for the Product** : Demand is the single most important factor affecting price of product and pricing policies. Demand creation or demand management is the prime task of marketing management. So, price is set at a level at which there is the desired impact on the product demand. Company must set price according to purchase capacity of its buyers.

Here, there is reciprocal effect between demand and price, i.e., price affects demand and demand affects price level. However, demand is more powerful than price. So, marketer takes decision as per demand. Price is kept high when demand is high, and price is kept low when demand of the product is low. Price is constantly adjusted to create and/or maintain the expected level of demand.

(ii) **Competition** : A marketer has to work in a competitive situation. To face competitors, defeat them, or prevent their entry by effective marketing strategies is one of the basic objective organisation. Therefore, pricing decision is taken accordingly.

A marketer formulates pricing policies and strategies to respond competitors, or, sometimes, to misguide competitors. Sometimes, a company follows a strong competitor's pricing policies assuming that the leader is right. Price level, allowances, discount, credit facility, and other related decisions are largely imitated.

(iii) **Price of Raw Materials and other Inputs** : The price of raw materials and other inputs affect pricing decisions. Change in price of needed inputs has direct positive effect on the price of finished product. For example, if price of raw materials increases, company has to raise its selling price to offset increased costs.

(iv) **Buyers Behaviour** : It is essential to consider buyer behaviour while taking pricing decision. Marketer should analyze consumer behaviour to set effective pricing policies. Consumer behaviour includes the study of social, cultural, personal, and economic factors related to consumers. The key characteristics of consumers provide a clue to set an appropriate price for the product.

(v) **Government Rules and Restrictions** : A company cannot set its pricing policies against rules and regulations prescribed by the governments. Governments have formulated at least 30 Acts to protect the interest of customers. Out of them, certain Acts are directly related to pricing aspects. Marketing manager must set pricing within limit of the legal framework to avoid unnecessary interference from the outside. Adequate knowledge of these legal provisions is considered to be very important for the manager.

(vi) **Ethical Consideration or Codes of Conduct** : Ethics play a vital role in price determination. Ethics may be said as moral values or ethical code that governs

managerial actions. If a company wants to fulfill its social obligations and when it believes to work within limits of the ethics prescribed, it always charges reasonable price for its products. Moral values restrict managerial behaviour.

- (vii) **Seasonal Effect** : Certain products have seasonal demand. In peak season, demand is high; while in slack season, demand reduces considerably. To balance the demand or to minimize the seasonal-demand fluctuations, the company changes its price level and pricing policies. For example, during a peak season, price may be kept high and vice versa. Discount, credit sales, and price allowances are important issues related to seasonal factor.

Q.3. Discuss the role of pricing in product marketing.

Or What are the advantages of pricing in product marketing?

Ans. Role or Importance of Pricing

Following are the main advantages of pricing :

1. **Acts as a Basis of Generating Profits** : Price determines the profits on sales. It is a basis of generating profits. As it is the most flexible of the marketing mix variables, organizations exercise this freedom very often for defensive or offensive pricing strategies. Better Price realises more revenue from the product.
2. **Value of Product** : Buyers estimate value of products in terms of price. The sales volume, the rate of return on investment and the market share decisions are based on price of products.
3. **Major Element in Marketing-mix** : Price is a powerful element in marketing mix, which creates attention of buyers and increasing sales. In the Marketing mix it is only price that guarantees profits and others contribute to volume of sales.
4. **Effective Tool of Product Promotion** : Price in combination with promotion becomes a strong tool for influencing buyers to buy products. It interests the buyers and highlights the image of the brand to increase sales. Sometimes organizations focus on other marketing mix elements by keeping the price constant based on recovering costs at certain percentage.
Price should be carefully set on the basis of its other marketing mix variables. The price on a product affects the market of another product in the product line from the same manufacturer. For example, a soap priced similar to soap from the same manufacturer which has different features will have impact on the sales of each other, and the customer will have difficult time in making a choice. Price setting should be according to the product features and should accompany strong promotional activities like discounts, education of product features, bonus points etc.
5. **Helps in Increasing in Standard of Living** : Pricing also determines standard of living. The lower the prices in the economy, the higher are the purchasing power in the hands of consumers. Price reflects purchasing power of the market.
6. **Economic Development of Nation** : Price directly affects the economic development of nations. When our society is benefited by cheap and quality products, it raises our standard of living and economic development as well.
7. **Acts as a Basis of Management Decision-making** : Finalizing price in combination with other marketing mix variables sets guidelines and boundaries for management to set marketing strategies. It influences two types of management decisions. First is setting price for a new product and second, adjusting the price of existing products

basis the market situation, costs, etc. Price is only one flexible factor in marketing mix which perfectly matches with fluctuation in market.

8. **Strong Weapon against Competitors** : Price is a strong weapon against competitors. Depending on the marketing program, organizations use price in different ways - demand oriented strategy, cost oriented strategy, competition oriented strategy etc.
9. **Helps in Product Differentiation** : Products are differentiated from one another on the basis of price. If a product is priced very low and its features communicated are better than the competitor, the customers may think that the product has low quality. In such cases organizations have to invest heavily in promotional activities and communicate clearly highlighting the services associated like warranties, brand value, etc.

Q.4. Explain the promotional tools which make-up promotion mix.

Or What are the major elements of promotion-mix?

Ans.

Elements of Promotion-Mix

Following are the major elements of promotion-mix :

1. **Personal Selling** : Personal selling is the face-to-face presentation of a product, service or an idea to a potential customer or customers by a representative of the company or organization. This is the most effective way of persuading the customers. It is a promotional method by which the salesperson uses his or her skills and abilities in an attempt to make a sale. However, getting a customer to buy a product is not the motive behind personal selling every time. Often companies try to follow this approach with customers to make them aware of a new product.

The company wants to spread awareness about the product for which it adopts a person-to-person approach. This is because selling involves personal touch; a salesperson knows better how to pitch a product to the potential customer. Personal selling can take place through two different channels - through retail and through direct-to-consumer channel. Under the retail channel, a sales person interacts with potential customers who come on their own to enquire about a product. The job of the salesperson is to make sure that he understands the need of the customers and accordingly shows various products that he keeps under that category. Under the direct channel, a salesperson visits potential customers in an attempt to make them aware about a new product that the company is launching or it may have a new offer which the customers may not get from the open market.

The American Marketing Association defines personal selling as, "Oral Presentation in a conversation with one or more prospective purchases for the purpose of making sales." The purpose of personal selling is "to pair the right products with the right customers."

According to **D. Scott**, the personal selling is more useful when :

- (i) Company has sufficient fund with which to carry on an advertising programme.
- (ii) Market is concentrated.
- (iii) Personality of the salesman is needed to establish rapport or created confidence.
- (iv) When product has a higher unit value and requires demonstration.
- (v) It must be fitted to individual-customer's need, as in the care of insurance or securities.

(vi) Where consumer goods are to be sold, such as high fashion clothing, or which involves a trade in.

2. **Advertising** : Advertising means to advertise a product, service or a company with the help of television, radio or social media. It helps in spreading awareness about the company, product or service. Advertising is communicated through various mass media, including traditional media such as newspapers, magazines, television, radio, outdoor advertising or direct mail; and new media such as search results, blogs, social media, websites or text messages.

Advertising, the techniques and practices used to bring products, services, opinions, or causes to public notice for the purpose of persuading the public to respond in a certain way toward what is advertised. Most advertising involves promoting a good that is for sale, but similar methods are used to encourage people to drive safely, to support various charities, or to vote for political candidates, among many other examples. In many countries advertising is the most important source of income for the media (e.g., newspapers, magazines, or television stations) through which it is conducted.

3. **Direct Marketing** : Direct marketing is a form of advertising where organizations communicate directly to customers through a variety of media including cell phone text messaging, email, websites, online adverts, database marketing, fliers, catalog distribution, promotional letters and targeted television, newspaper and magazine advertisements as well as outdoor advertising. Among practitioners, it is also known as a direct response.

4. **Sales Promotion** : Sales promotion refers to many kinds of incentives and techniques, other than personal selling, advertising, and publicity, directed towards consumers and traders with the intention to produce primarily immediate or short-term sales effects. As per Roger A. Strang, "Sales Promotions are short-term incentives to encourage purchase or sales of a product or service."

Institute of Sales Promotion—U.K. defined sales promotion as—"Sales promotion comprises that range of techniques used to attain sales/marketing objectives in a cost-effective manner by adding value to a product or service either to intermediaries or end users normally but not exclusively within a demand time period."

5. **Public Relation and Publicity** : This promotion element is an important element of Public relation and plays a significant role in Marketing and Promotion-Mix. It includes annual reports, press conferences, speeches, publications, events and sponsorship.

Publicity is a means of promoting to the mass market. It is free Promotional Mix. It is non-personal stimulation of demand for a product or service. The most common types of publicity are news release/press release, photography and feature stories about the product or a service.

Q.5. What are the major factors that affect promotion-mix?

Ans. Factors Affecting Promotion-mix

Promotional strategy of a firm is influenced by the following factors :

1. **Nature of Product** : It is the main factor that influence promotion-mix. Different products require different tools of promotion. In case of FMCG products advertising is most effective with emphasis on dealer displays. For industrial goods (Like plant, machinery, equipments etc.) personal selling is most effective because a great deal of

pre-sale and after sale service is required to sell and install the product. These products are highly complex and technical nature.

2. **Nature of Market :** Promotion-mix is also influenced by market location and number of buyer's. For example, where markets are small and local and the numbers of buyers are few, personal selling would be a best promotion tool, but when market well large will huge number of potential buyers, advertising would be preferably used.
3. **Life cycle of the Product :** The stage of product life-cycle (PCL) is an important determinants of promotion-mix during introduction stage the main aim of promotion to create primary demand by emphasizing the products features, product benefits, product availability etc. That is why, a combination of advertising and publicity is required. During maturity stage, advertising and personal selling are needed to create a good image of the product, to ensure continued patronage of customers and to meet competition in the market, but during the last stage (decline stage) of the product, when its sales are declining, sales promotion can be used to push up sagging sales.
4. **Availability of Funds :** It is an important determinants of promotion-mix. When sufficient fund available for large promotional activities, a combination of all promotional methods can be used. But in case of financial constraints, a combination of relatively low-cost promotional inputs is used. For example, personal selling is cheaper tool as comparison to advertising.
5. **Purchase Frequency :** When buyers buy a product very frequently like FMCG products, the marketers invests large amount of money in advertising to a product is purchased frequently.
6. **Readiness of Buyers :** The different stages of buyer readiness directly affect to selection about promotion-mix. At the awareness stage, advertising and publicity are more effective. At the stage of comprehension advertising and personal selling can be used. During conviction stage, personal selling is more effective and during the closing the sale stage sales promotion is appropriate tool for promotion. Thus, advertising and publicity are more effective in early stages of the buying decision process whereas personal selling and sales promotional techniques are more significant during later stages of buying decision process.
7. **Promotional Strategy :** The selection of promotional tools depends to a great extent on whether a business enterprise chooses a "Push" or "Pull" strategy to create more sales action.

Under push strategy, the manufacturer induces his dealers to carry the product and promote it to consumers. For push strategy personal selling and sales promotion are more suitable. On the other hand, a pull strategy is one in which mass impersonal sales efforts are considered and given importance. The purpose of pull strategy is to pre-sell to the end consumer, thereby helping the demand to increase at retailer level. For this advertising and sales promotion are more effective.

Q.6. Discuss the steps involved in the process of personal selling.

Or What are various functions of personal selling?

Ans. Personal Selling Process

Following are the major steps involved in personal selling process :

1. **Prospecting :** It is the first step involved in this process. A prospect is one who has need and wants, has the ability and willingness to buy. It is very necessary to identify

that who is potential customer among all the people because everyone cannot be considered as a prospect. Before the communication process sales persons can identify the prospects through examine the records of past and present buyers. Thus, the process of finding out new prospects and pertaining interviews with them is called "prospecting" or "pre-approach".

2. **Approaching** : Approaching is the second stage of personal selling. Under this stage states person should well aware about nature and behaviours of prospective buyer and to establish a contact with the prospect. He should try to know what products or brands they are using. For this purpose sales people can organize advance sales interview to success in selling. The sales person must introduce himself and his product to the prospective customer politely at the time of meeting or interview.
3. **Presentation and Demonstration** : Under this stage the sales person demonstrates how the product is to be used. The sales person should describe the features and price of the product briefly. He should also describe the product's benefit and need of the customer which will be fulfilled by the particular product. A good salesman adopts various techniques to convince the prospect and to pursue him to take decision in the favour of the product.
4. **Overcoming Objections** : Handling objections is a very important task of salesmanship. After demonstrating and explaining the product, its features price and benefit a salesman should invite queries about product from the prospects. The Salesman should not loss patience if the customer puts many queries and objection and takes more time to finalize the product. In fact, the efficiency of a good salesman is tested on the basis of how effectively he overcomes the objections with positive attitude.
5. **Closing the Sale** : The selling ability of a Salesman will prove when he secures orders. Closing the sale is the climax of the sales presentation by securing the order. A good salesman takes order by convincing them to buy the product. After this situation, he should close the sale by asking such questions as, "what colour have you want?" "Do you want this gift wrapped?" or "what else would you like to buy?" In this way, the Salesman can close Sales successfully with cordial manner.
6. **Follow-up** : Under follow-up activities a salesman wants to know about customer's satisfaction/dissatisfaction with the product. During this step the salesperson must make a follow-up call to ensure repeat order.

Q.7. Elaborate the various kinds of salesman.

Ans. Kinds of Salesman

Salesmen may be classified into followings categories :

1. **Creative Salesman** : The job of such a salesman is the creation of demand for the product. Some writers prefer to use the term 'missionary salesman' on account of the missionary nature of his work. He is also a pioneer salesman since it is he who pioneers the market for the product. In short, creative salesman is engaged in developing customers and sales territories. The following are characteristic features of missionary selling :
 - (i) Emphasis on educating, training, demonstrating and merchandising the benefit points of the products, rather than on taking orders.

- (ii) It is applicable to all the levels of the distribution system wholesalers, retailers and final customers.
 - (iii) It is a promotional investment in future sales, since the object is to create a demand without regard for an immediate order for the manufacturer.
Although, missionary selling is expensive for many reasons. For instance, it requires a highly educated, specially trained sales force with technical qualifications. Missionary selling is 'selling in depth' to very influential individuals or small groups and it is 'not a mass tool'.
2. **Service Salesman** : This type of salesman specializes in selling intangible products like insurance, share, advertising space or travelling arrangements. The people who demand such services belong to a special class and hence a service salesman needs special training and abilities. Selling of services requires imaginative and more varied approaches by the salesman. Thus, the job of a service salesman is really difficult.
 3. **Detail Salesman** : The names 'detail selling' and 'detail salesman' are the contributions of drug industry. Drug companies stock their products, first and then create demand by calling on the physician. The salesman has to convince the physicians of the formula, dosage, use, research and testing result, etc. in detail. Most of the "Medical Representatives" fall under this category.
 4. **Manufacturer's Salesman** : The salesman directly appointed, controlled and paid by the manufacturer is a manufacturer's salesman. This is to supplement the selling activities of wholesalers and retailers and also to have first-hand information about the markets.
 5. **Wholesaler's Salesman** : Such a salesman may have to introduce goods and assure a market for the retailers. Most of the services rendered by a wholesaler's salesman are of routine nature. Some of these services are :
 - (a) Regularly meeting retailers for the distribution of goods, receiving complaints, collection of bills, etc.
 - (b) Guiding the wholesaler in extending credit to the retailers.
 - (c) Collecting information about markets, competition, etc., for onward transmission to the manufacturer.
 - (d) Establishing liaison between retailers and consumers.
 - (e) Helping retailers to arrange displays and demonstrations.
 6. **Retailer's Salesman** : Salesman employed by retailers fall under this category. They are of two types :
 - (a) **Indoor Salesman** : This salesman's area of operation is limited within the four walls of the shop. He is also termed as a counter salesman. His main job is to sell the articles to the customers over the counter.
 - (b) **Outdoor Salesman** : The nature of work of an outdoor salesman requires him to move about places. He is also called a "Travelling Salesman". His jobs are numerous and include creating customers, creating wants, and very often acting as an order-taker too.
 7. **Speciality Salesman** : Speciality articles are generally high priced and purchases are made only after a personal selection by the buyers. Furthermore, they are not bought regularly and are durable goods, e.g., Car, Refrigerator, etc. This requires the speciality salesman to have a considerable amount of initiative, drive, product knowledge, etc. He

should have an extensive training in the art of salesmanship. In fact, the job of a speciality salesman is most difficult.

8. **Staple Salesman** : Staple salesman generally concentrates on selling necessities like food, clothes, stationary, etc. Unlike the speciality salesman, the area of operation of the staple salesman is restricted and limited. But his job is not easy since the market may be highly competitive.
9. **Exporter's Salesman** : The foreign trade involves a large number of problems on account of different nationalities, different currency units, etc. The greatest among the problems is to find a market for the product where the manufacturer has no roots. From early times, special agencies known as 'indent houses' have been working in this field. They act as agents as well as middlemen for a manufacturer. For the import of goods also such indent houses render valuable services.

Q.8. What are the requisites of effective salesmanship?

Ans. Requisites of Effective Salesmanship

In order to achieve effective personal selling, the following requirements must be fulfilled :

1. **Personal Qualities** : An effective salesman must possess certain physical, mental, social and vocational qualities.
2. **Training and Motivation** : It is essential to train and motivate the sales persons for achieving effective personal selling. The training programme for the sales persons should be designed keeping in view the requirements of the business. The training programme should also aim at imparting knowledge of various selling programme and techniques among the trainees. For instance, a salesman must be trained how to understand the nature of a customer, how to arouse his interest in the product and how to close the sales. It is also essential that the person selected for selling has aptitude for this vocation. He has the inner motivation of developing himself into a good salesman. The employer can also motivate him by providing financial and non-financial incentives.
3. **Wide Knowledge** : A salesman should have wide knowledge about the following :
 - (a) **Self** : The salesman should try to know his strong and weak points and remove his weak points through training and experience. He should continuously undertake his self-assessment to know what he requires in order to be an effective salesman.
 - (b) **Employer** : The salesman is a representative of his employer. He should have a thorough knowledge of the origin and growth of the employer's business. He must know objects, policies and organizational structure of the employer's firm. This will enable the salesman to make use of the plus points of the firm selling the product.
 - (b) **Product** : The salesman must know what are special features and uses of the product. He should also know the whole process of production so that he may be able to answer the customer's queries and objections satisfactorily. Mostly, the customers are ignorant about the features, technical details, and benefits of the product and they expect the salesman to give them sufficient information about it.
 - (d) **Competitors Products** : The salesman must have complete knowledge about the competitive products because buyers often compare several products before purchasing one of them. The salesman should know the positive and negative

features of the various substitutes so that he is in a position to prove the superiority of his product.

- (e) **Customers** : Before selling something, a salesman must have sufficient knowledge about the customers to whom he is going to sell. He must try to understand the nature of customers, their habits and their buying motives if he is to win permanent customers. There are a number of considerations which make the prospect to buy a particular product. These considerations may be grouped under two categories of motives, namely (i) product motives, and (ii) patronage motives. Product motives explain why customers buy certain products and patronage motives determine why customers buy from specific dealers. A salesman can understand the motives of the customers by his intelligence and experience. He should deal with the customer according to his nature. He can mix with a customer who is extrovert and remain reserved with a customer who is introvert. He should also try to know whether a customer intends to purchase for personal use or for business use.

Q.9. Elaborate the major qualities required for a successful salesperson.

Ans. Qualities of a Successful Salesperson

Some of the common qualities which are often found among the effective salesmen are described below :

1. **Good Personality** : The term 'personality' comprises several attributes like physical appearance, way of speaking, voice, posture, health, habits, etc. If any of these attributes is lacking substantially, a salesman may not be able to do his job effectively. A pleasing and charming personality always creates good impression on the prospects. A salesman should possess good health because it is the key to his efficiency. His voice should be well-pitched. His tone of speaking should be natural so as to create receptivity among the listeners (the prospects).
2. **Mental Qualities** : An effective salesman must possess certain mental qualities like imagination, foresightedness, presence of mind, strong memory power, and initiative. A salesman who is intelligent enough to understand the nature of the prospects and perceive their requirements is most likely to be successful. A good salesman must have the power of imagination so that he can enter into the shoes of the prospective customer to know what he wants and how he wants to be treated. These mental qualities will help a salesman in winning permanent and regular customers.
3. **Should be Social** : A salesman should be social and have the ability to mix with people. He should not be shy and reserved. He should be able to have interaction with all types of people. He should be honest, sincere, dependable and co-operative. He should be polite and humble in talking to the customers. He should remain courteous with his customers throughout the presentation because his fate depends upon the attitudes of the customers. He should have the quality of adjusting with the customers of different nature.
4. **Vocational Skills** : A salesman should have sound general education and have the specialized knowledge of selling techniques. Salesmanship is a highly skilled vocation. It requires certain training and a specific bent of mind. He should have ambitions and enthusiasm to become a good salesman. A good salesman should know the features, benefits and other particulars of the product he is going to sell.

5. **Communication Ability** : Communication skill is an asset for the salesman. He should be able to speak freely, clearly and in a well-pitched voice. He must be a person who has a natural ability for conversation.
6. **Patience** : The salesman should not get provoked even under worst circumstances. He should have sufficient patience to listen to customers and clear their doubts.
7. **Determination** : The salesperson must have a sense of determination to secure the customer. He should not lose the confidence and give up the customer so easily.
8. **Dependability** : The salesman can win permanent customers if he is honest, sincere and dependable. He should be able to win the confidence of the customer if he is to succeed in his vocation.

Q.10. Differentiate between personal selling and advertising.

Ans. Difference between Personal Selling and Advertising

Following points highlight the difference between personal selling and advertising :

S.No.	Personal Selling	Advertising
1.	It is not controllable. Salesman can present his talk and product as per his skills, knowledge and experience.	Company has complete control over it. Advertisement takes place as per company's plan.
2.	Creativity depends on ability of individual salesman. Comparatively, it more influential.	It permits maximum creativity in preparing theme, message and spots. It is comparatively less influential.
3.	It is the method of personal communication. It is the way of face-to-face communication.	It is the method of mass communication. It is the way of indirect communication.
4.	Two-way, from seller to buyer and buyer to seller, communication.	One-way, from seller to buyer, communication.
5.	It is a slow process. At a time, one salesman can talk to one or limited people.	It is a fast method. Millions of people can be conveyed the advertising message by using mass media.
6.	Comparatively more information can be communicated.	Limited information can be communicated.
7.	Clarification is possible. On the spot, matter is clarified. It is more effective.	Clarification is not possible. It is less effective.
8.	It is suitable for almost all the consumer products.	Mostly, it is suitable for non-technical products.
9.	It is both promotional and distribution device.	It is a promotional device.
10.	Immediate and direct feedback can be measured. Salesman can know the buying intention of buyers.	Immediate feedback cannot be measured. Even, net impact cannot be known.
11.	It is more flexible. Salesman finds it easy to adjust with situation. He can alter his presentation as per situation.	It is less flexible. Once advertising programme prepared and implemented, there is less chance to alter or adjust it.
12.	Per contact cost is considerably high.	Per contact cost is extremely low.

Q.11. Explain the various objectives of advertising.

Ans. Objectives of Advertising

Some important objectives of advertising are :

1. **Building Company Image and Reputation** : A company opts for advertisement to build prestige and reputation in the market. Most of the companies, though they are

satisfied with the volume of sales, go for advertising to acquire fame in the market. Many companies advertise its policies, activities, and achievements to make a permanent place in the mind of people.

2. **Educating People** : Advertising is not always used only for company's benefits. It is meant for helping customers to make the right choice of product. It educates people about availability of new products, its features and qualities, price, services, and other related aspects. Such information is instrumental for purchasing suitable products. Thus, it guides customers to choose the most appropriate product.
3. **Buyers** : Marketer uses advertising to remind the buyers regarding existence of company, products, maintenance of quality, superior services, and chasing customer-orientation. Mostly, the existing firms aim their advertising for this objective.
Here, the purpose is to inform that the company is still in existence and serving customers in a better way. Due to huge information bombarded by a number of companies, customers are more likely to forget name of company and/ or products and services it offers.
4. **Facing Competition** : Advertising is treated as the most powerful weapon to fight with competitors effectively. Advertising enables the firm to respond the competitors strongly. It helps the firm to distinguish its total offerings from competitors.
In brief, the firm can face competition, can prevent the entry of competitors, or can remove competitors away from the market. In competitive marketing environment, the firm cannot survive without an effective advertisement.
5. **Achieving Sales Targets** : Increase sales volume is one of the major advertising objectives. A company can advertise its products in various media to attract customers situated in different parts of the world. National and international marketing is the result of advertising. Even, non-users can be converted into users and usage rate can be increased. Thus, company can achieve its sales objectives by advertisement.
6. **Improving Brand Image** : Advertising is used for brand recognition and acceptance. A company can distinguish its brand by magnifying major benefits the product offers. Advertisement attracts customers toward the brand; they try it and accept it over time. In the same way, bad image related to brand can be changed by systematic presentation of facts and scientific evidences, and removing misunderstanding.
7. **Convincing Buyers** : Company uses advertisement to persuade or convince the buyers about superior advantages offered by its product. Company communicates competitive advantages the product offers to induce customers buy it. Comparative advertising is used to prove the additional benefits of product at a given price.
8. **Informing Buyers** : This objective includes informing customers regarding product's availability, price, features, qualities, services, and performance. Besides, it also includes informing them about changes made in the existing product and introduction of new products. Company also highlights its location, achievements, policies, and performance through advertising.

Q.12. Discuss the various types of outdoor advertising. What are its merits and demerits?

Ans. Types of Outdoor Advertising

There are different kinds of outdoor advertising in practice :

1. **Poster advertising** : A poster is a temporary promotion of an idea, product, or event put up in a public space for advertisement. Posters became a special type of graphic art

in the modern age. It is a printed paper announcement or advertisement that is exhibited publicly whether promoting a product, an event, or a sentiment (such as patriotism), a poster must immediately catch the attention of the passerby.

2. **Advertising Boards** : It is also a popular means on advertising always seen on road side, railway stations, markets etc.
3. **Vehicular Advertising** : While static adverts such as billboards can be an effective way to capitalize on an area of high traffic, the number of people reached is limited to that specific location. Vehicle advertising avoids this, and instead presents an on-the-go advertisement in the form of a printed graphic either placed on the side of the vehicle in question, or as a vinyl wrap covering its body.
This is an effective and popular type of outdoor advertising due to the increased exposure it offers. The vehicle in question (often a taxi, bus, or van) is constantly on the move, and so the advert is able to reach people in a much wider catchment area. This increases brand awareness on a much larger scale, and can provide a valuable source of exposure to national businesses, or those with multiple locations. Vehicle advertising can also be an effective means of reinforcing the presence of a business in a given area, if a fleet of vehicles with the same branding is seen regularly.
4. **Electric displays** : An electronic visual display, informally a screen, is a display device for presentation of images, text, or video transmitted electronically, without producing a permanent record. Electronic visual displays include television sets, computer monitors, and digital signage.
5. **Sky Advertising (Sky Writing)** : Sky advertising is a form of advertising that incorporates the use of flogs, manned aircraft, or drones to create, transport, or display, advertising media. The media can be static, such as a banner, logo, lighted sign or sponsorship branding. It can also be dynamic, such as animated lighted signage, skywriting, or audio.
6. **Sandwich men** : A sandwich board is a type of advertisement composed of two boards (holding a message or graphic) and being either carried by a person, with one board in front and one behind, creating a "sandwich" effect; or set up in a triangle shape, hinged along the top. In this way, the advertising message can be read on both sides interchangeably.
7. **Billboard Advertising** : Billboards are giant posters displayed in popular locations. These giant posters have some form of advertisement for large crowds. Billboards are often situated along roadsides (on bridges or independent stands) and in proximity to areas of high footfall, such as shopping centers, stadiums, and city centers. About 71% of consumers have admitted to looking at the messages on roadside billboards. This shows that creating billboards is increasingly beneficial to sales conversion.
Billboards do not directly have to be in printed form. The graphics and advertisement style can also be seen on busses, trucks, or other mobile vehicles. Mobile billboards are becoming a more popular type of outdoor advertising. It's playful, harmless and cost-effective. When you are driving on the road, you may lose some attention to the road if you see a unique car. The purpose of mobile billboards is to capture your attention when you least expect it. Mobile billboards can target anyone as long as they drive around. Different areas, people, etc.

Merits of Outdoor Advertising :

- (i) It is very good medium to stress brand names and package identity.
- (ii) It has great coverage.
- (iii) It is less expensive.
- (iv) It covers wide area because every moving person comes in contact.
- (v) It is capable to attract more attention among people.

Q.13. State the various advantages of advertising.**Ans.****Advantages of Advertising**

1. **Brand Promotion :** If any brand wants to stay in the market then its promotion is necessary. This goal is achieved with the help of advertising which promotes a product, company or service. When a brand gets established with the help of advertising, it becomes a promise of quality and the customers start expecting from a brand. Thereafter, the stage arises where advertising starts acting as a reminder. It reminds and convinces customers that their chosen brand is still there.
2. **Source of Revenue :** Advertising is a prime source of revenue for publishers of mass media like newspapers, TV channels, magazines, and websites, so on. It pays publishers their input costs and in return use their media platform as a medium to reach maximum number of people. Indirectly, because of it, customers of publishers (who are mostly readers or viewers) also get affordable access (or sometimes even free access) to high-quality information databases.
3. **Product Launch or Announcement :** The primary aim of advertising is promotion. Hence, advertising is essential, especially for a new product that has to be launched in the market. Advertising helps convey the information regarding launch of the new product. It helps to capture the market and increase sales of an advertiser.
4. **Assists in Building Brand's Image :** Advertising creates goodwill and helps in building a brand's image in the market. Repeated advertisements make branded products and services very popular. People tend to show a more trustworthy attitude towards advertised brands over non-advertised ones. Well-known branded products are usually made from quality raw materials and hence are preferred by most consumers. As a result, the demand for branded products increases. The rise in popularity and building of trust gradually helps to increase the value of the brand name. Eventually, this boosts sales of branded products and services.
5. **Assists in Increasing Sales :** Advertising ignites an interest of advertised products and services in the masses. Interest creates demand in the market. The growing demand soon results in higher sales. Eventually, the advertiser fulfills his main goal of investing in an advertisement.
6. **Helps in Maximising Profit :** Advertising helps in increasing sales and control the cost borne by the advertiser. It helps to widen the gap between his sales and incurred cost. With maximizing sales and lowering cost, the profit of an advertiser grows. Thus, it aids in maximizing the profit of its advertiser.
7. **Consumer Awareness :** Advertising creates awareness by informing consumers. It creates awareness among consumers about the availability of any particular product or service in the market. It attempts to convey them why an advertised product or service is better than other alternatives currently available in the market.

In addition of this it informs a consumer, mainly about; various features, benefits, price and use of an advertised product or service. It also gives information about the brand name or trademark of a manufacturer or a service provider, and other relevant details of producer.

8. **Assists in Monitoring Demand and Supply** : It also assists in generating higher demand in the market for advertised products and services. The rising demand must get fulfilled with an equivalent amount of supply of products and efficient delivery of services. Proper care must be taken to monitor the demand and supply function so that none of the demand remains unfulfilled.

If supply is not at par with the increasing demand, then the market may soon lose confidence and demand's downfall may take place. If this happens, the sale will also fall, and the money spent on advertising will not get recovered. Eventually, this may lead to losses.

Q.14. Elaborate the various tools used in sales promotion.

Ans. Tools of Sales Promotion

Sales promotion techniques or devices can be broadly classified into three main categories namely, consumer sales promotions, dealer promotions or trade promotions and sales-force promotions which are discussed below :

1. **Consumer Sales Promotion** : Consumer sales promotion includes various sales promotion activities for inducements of customers to by a product. Source of which are discussed as below :
 - (i) **Distribution of Samples** : Under this, actual product is distributed freely in small samples so that people get a chance to examine it. The samples may be delivered door-to-door or sent by courier or attached with other product. Sampling techniques is good in case of expensive item.
 - (ii) **Coupons** : It is an offer to buy a product at a reduced price. Coupons may either be inserted in packages, newspapers and magazines or may be distributed by Mail or door-to-door delivery. The buyer must surrender the coupon and get reduction of the stated value is the coupon. They are useful for introducing a new product or strengthening the sale of a existing product.
 - (iii) **Price-off offer** : As per this tool, a consumer receives a certain amount of money off on the regular price of a product. For this, a marketer can uses multi-pack offer, combo pack offer or buy two get one free scheme etc. This method is intended to stimulate the sales during a slump season. It is also used when substitute or competing product enters the market.
 - (iv) **Money Refund Offer** : Under this method, when a customer not completely satisfied with the product, the marketer will return the purchase money to customer within a stated period.
 - (v) **Premium** : Premium schemes means a product may be offered at cost or relatively low cost as a bonus to purchase of a particular product. There are various form of premium provided by manufacturer like, a pack with premium, a reusable container, a free-in the mail premium, a self-liquidating premium etc.
 - (vi) **Trading Stamp** : In this, stamps are issued in proportion of the amount of purchase made and consumer can exchange them for some merchandise work the

stamp. Trading stamp are a kind of discount coupons offered to consumer linked with the quantum of their purchase.

- (vii) **Trading-In** : This tool is used when a marketer or manufacturer wants to sell his variety of products. Under this scheme, a customer had to purchase three product of a particular brand like, T. V., Fan and JMG Set at a regular time intervals in a three years; than at the end of the third year, the product purchased in the first instance is taken by the company and in its place on new one is given at a concessional rate. This method is appropriate when manufacturer produces durables commodities.
 - (viii) **Demonstration** : When companies are coming up with a new product, they use product demonstration technique of sales promotion to attract attention to the product. For example, Eureka Forbes and Hawkins resort to this method for the promotion of their products in a door-to-door campaign for sales.
 - (ix) **Competition or Contest Call** : Under this, a competition or contest calls are made to the customer to participate in the contest and win cash prizes, trips or tours or goods. Contest calls made with free entries and contesters may be asked questions about product quality, to solve the puzzles and write a slogan on the product.
2. **Dealer Promotion or Trade promotion** : Dealer or middlemen are important link in the chain of distribution. Under this promotional tool we have to offer incentives to intermediaries- retailers, wholesaler and distributors to buy the product. It may include various schemes, some of which are discussed below :
- (i) **Trade or Buying Allowances** : Under this offer a dealer will get cash off or price reduction on purchase of specified quantity of a product during a started period of time. This is encouraged buying in large quantities of manufacturer's product.
 - (ii) **Store Demonstration or Point-of-purchase (POP)** : In the premises of the wholesaler or the retailer, the special displays, racks, banners, exhibits are placed to demonstrate and support the sale of a brand. A good demonstration or POP will draw attention of heavy crowds into the store and to induce to the purchase of product.
 - (iii) **Buy-back Allowance** : It is secondary incentive which offers a certain sum of money to trade for each additional unit bought over and above the deal. It encourages trade co-operation and stimulate repurchase.
 - (iv) **Merchandise allowance** : Merchandise allowance is an allowance to trade for providing desired sales promotion and product displays. It aims to gain larger space/effort of sponsor's product as against the competitors.
 - (v) **Dealer Stock Display Contests** : Under this method, a display contest organizes amongst dealers for display of all the products of company in effective manner. Here, the best display arranged gets the prize.
 - (vi) **Dealers Sales Contests** : Sales contest is a sales incentive competition organized amongst salesmen or dealers. Sales contests require participating dealers to compete among themselves in the terms of sales performance during a given period. The prizes are given by the company to the performer in order of merit as 1st, 2nd, and 3rd and so on.
 - (vii) **Dealer gifts on Premia** : When a dealer purchases a given number of units of the company's brand, than an additional compensation is offered to trade (cash

discount or kind discount) for pushing additionally a specific product or product line.

- (viii) **Free foreign ticket** : For motivation of middlemen free foreign tours are offered, when they achieve more than target sales in a certain period to push more sales and trade-co-operation.
3. **Sales-Force Promotions** : Sales-force promotions consist of various promotional tools like bonus, sales contests, sales meetings, conventions and conferences etc. The purpose of sales- force promotion is to strengthen this personal selling. The tools for sales-force promotions are as below :
- (i) **Bonus to Sales force** : Under this scheme a bonus is to be given to those sales-person who cross the sales quota fixed for a specified period. In order to get higher premium the salesperson will try to sell more products. Thus, the company earns more profit and sales person benefited by more premiums on increased sales.
 - (ii) **Sales Contests** : Sales contests are organized to stimulate the sales-force to double or multiply their selling interest and efforts over a stipulated time with the prizes going to top performer. It is a hidden competitive spirit which boosts the effort of a sales-person and the overall performance of the sales-force is improved.
 - (iii) **Sales meetings and conferences** : Sales meeting and conferences are conducted by producers with a view to educate, train, inspire and reward the salesmen. These meetings, conventions, or conferences are held in places may be of tourist and business interest, to provide business, pleasure and satisfaction.

Q.15. Discuss the steps involved in the procedure for selection of salesman.

Ans.

Procedure for Selection of Salesman

The procedure for selection of salesman involves the following steps :

1. **Advertisement** : In order to invite applications for the post of salesmen in the organisation, wide publicity is given to the number of vacancies and the qualifications required to fill them. Advertisement may be given in one or more newspapers to attract suitable persons for the vacant posts.
2. **Receipt of Application** : The application form is provided to the candidates on request. It provides a written record of qualifications, experience and other qualities of the candidate. The application form should be as simple as possible and incorporate questions having effect on the suitability of the applicant for the job. Application forms are received and processed by the office for further reference by the selection committee. The applications are screened to select the candidates who are to be given the employment test and called for an interview.
3. **Employment Tests** : Employment tests are being widely used to select persons for various jobs. These tests help in matching the characteristics of individuals with the vacant jobs so as to employ right types of personnel. Following are the types of tests given to the candidates.
 - (i) **Intelligence test** : It is used to judge the mental capacity of the applicant. It evaluates the ability of an individual to understand instructions and make decisions.
 - (ii) **Aptitude test** : It is used to measure an applicant's capacity and his potential for growth.

- (iii) **Occupational or Professional test** : It is designed to measure the proficiency of an individual in the skills required to perform a job.
 - (iv) **Personality test** : It ends to probe the qualities of the personality combination of aptitude, interests and usual mood and temperaments. Such tests are devised with the help of psychologists and are to be administered with great care.
4. **Employment Interview** : After an applicant clears the various employment tests, he is called for final interview. The interview is taken by the Board consisting of the Marketing Manager and the representative of other departments. The interview is held to determine suitability of the candidate and to provide him a complete picture of the responsibilities associated with the job.
- Employment interview is of great importance to the applicant and the employer. There should be proper physical arrangement for the interview. It will enhance the reputation of the employer and give confidence to the candidates. Privacy and comfort should not be forgotten to ensure that the objectives of interview are achieved. If this is not done there would be wastage of money on interviewing and right type of candidates may not be selected. The interviewers should also come fully prepared for the interview and should be ready to give proper attention to each candidate.
5. **Medical Examination** : Medical examination is given to the selected candidates to ascertain their physically unsuitable candidates. Medical test is given by the medical expert appointed by the employer.
6. **Appointment Letter** : When a candidate has cleared the above listed procedure of selection, he is given an appointment letter and is requested to join the organisation. When the employee reports for duty, he is given some sort of orientation and placed on the job for which he is appointed.

Q.16. What are the benefits of choosing salesmanship as a career?

Ans.

Selling as a Career

A sales career offers the opportunity of financial success and provides a sense of accomplishment and pride with each new sale. A number of people may see a sales career as a default career choice but there are many benefits and rewards to a career in sales :

1. **Transferable Skills, Creating a Challenging Career** : The skills developed in a sales career are significant and provide a desirable career path for many professionals. Unlike many other careers he will not feel better in one industry but once he has the skills to sell successfully he can transfer his skills and move between industries providing new challenges and the opportunity to move his career in the direction of desire.
2. **Great Earning Potential** : "The financial rewards can be significant and if you are willing to create new opportunities and have the drive to succeed the earning potential can seem limitless." For a sales person the pay structure will vary at each company but will generally involve a base salary plus commission, bonus and additional benefits.
3. **Freedom** : A job in sales provides a freedom where he can generally structure his own day and manage his own time, whether he is in the office or out on the road meeting clients.
4. **Meet a Wide Variety of People** : A career in sales provides the opportunity to meet a variety of people from society. It is almost a guarantee that each day he will talk to someone new, from a different walk of life that will teach him something interesting he

didn't already know. As a salesperson, he creates for himself a great career network that will provide vast career opportunities.

5. **Continual Learning** : From the vast networks of people it provides continual learning. A sales professional can involve in researching new clients, meeting with clients and nurturing relationships with existing clients that makes him experienced and perfect professional.
6. **Satisfaction** : There is a great deal of satisfaction that comes from successfully closing a sales career. Satisfaction can come in a variety of ways from professional satisfaction, usually generated from tangible rewards and the acknowledgment of a job well done, or personal satisfaction that provides self- confidence and pride. So if you are considering a career in sales you can see there are many benefits which make it a successful and rewarding career.

In recent era salesmanship is taking place as a profession which requires essential qualification and training to fulfill the requirements of effecting selling. Many universities, colleges and management institutes offer different courses like sales management, advertising management, degree or diploma in marketing management or sales management, M.B.A. in Sales etc. in India or from abroad. After completing the course, they can seek placement in various fields like Sales marketing, customer care, hotels, advertising, market survey and research insurance sector, retail sector etc. Finally, we can say that a salesperson is a professional and salesmanship is a profession.

MULTIPLE CHOICE QUESTIONS

Q.1. Total revenue of a company depends upon :

- | | |
|-----------------|------------------|
| (a) cost | (b) price |
| (c) sales value | (d) All of these |

Ans. (d) All of these

Q.2. Who said that "Promotion is the chief means a firm has, of influencing buyer behaviour without cutting prices"?

- | | |
|-----------------------|------------------|
| (a) Philip Kotler | (b) Adam Kallis |
| (c) Douglas W. Mellat | (d) David Warner |

Ans. (c) Douglas W. Mellat

Q.3. The words used to convey the advertisement idea is :

- | | |
|------------------------|----------------------------|
| (a) advertisement | (b) advertisement research |
| (c) advertisement copy | (d) advertisement budget |

Ans. (c) advertisement copy

Q.4. Advertisement promotes :

- | | | | |
|---------------|----------------|-----------|-----------|
| (a) purchases | (b) production | (c) sales | (d) price |
|---------------|----------------|-----------|-----------|

Ans. (c) sales

Q.5. The social aspect of marketing is to ensure :

- | | |
|---------------------------------|-------------------|
| (a) price | (b) demand |
| (c) low price with high quality | (d) service goods |

Ans. (c) low price with high quality

Q.6. Fixing a high price for a new product will be called as :

- (a) price skimming (b) price segmentation
(c) dual pricing (d) customary pricing

Ans. (a) price skimming

Q.7. The prime object of marketing is :

- (a) profit (b) service
(c) sales (d) consumer satisfaction

Ans. (d) consumer satisfaction

Q.8. Markets are created by :

- (a) nature (b) economic force
(c) businessmen (d) product

Ans. (b) economic force

Q.9. Consumer purchasing power is determinate by :

- (a) salary (b) disposable income
(c) total income (d) price

Ans. (b) disposable income

Q.10. A group of products that are closely related called :

- (a) product Mix (b) product line
(c) product items (d) product diversification

Ans. (b) product line

Q.11. Price and competition is increasingly servers in :

- (a) decline stage (b) growth stage
(c) maturity stage (d) introduction stage

Ans. (b) growth stage

Q.12. Identify the one which is demand-based pricing :

- (a) target pricing (b) mark up pricing
(c) marginal pricing (d) skimming pricing

Ans. (b) mark up pricing

Q.13. Poster advertising is a type of :

- (a) indoor advertising (b) outdoor advertising
(c) Both (a) and (b) (d) None of these

Ans. (b) outdoor advertising

Q.14. may be defined as the exchange of goods or services in terms of money.

- (a) Price (b) product
(c) Grading (d) Branding

Ans. (a) Price

Q.15. is the high initial of the product at the time of introduction of the product in the market.

- (a) Skimming price (b) Penetrating price
(c) High pricing (d) Moderate pricing

Ans. (a) Skimming price

Q.16. is allowed in the form of deductions from the list price.

- (a) Trade discount (b) Quantity decisions
(c) Cash discount (d) Seasonal discount

Ans. (a) Trade discount

Q.17. is price at which a retailer sells the products to his buyers.

- (a) Retail price (b) Whole sale price
(c) FOB price (d) Administered price

Ans. (a) Retail price

Q.18. creates a non personal stimulation of demand in advertising.

- (a) Pricing (b) Production (c) Public relation (d) Distribution

Ans. (a) Pricing

Q.19. and other forms of promotions are supported by advertisement.

- (a) Personal selling (b) Branding (c) Promotion (d) Publicity

Ans. (a) Personal selling

Q.20. are published according to the taste or liking of the public.

- (a) Magazines (b) Journals (c) News papers (d) Special issues

Ans. (a) Magazines

Q.21. Which of the following is not an objective of advertising?

- (a) Building relationship (b) Introducing a new product
(c) Developing a brand image (d) Providing information

Ans. (a) Building relationship

Q.22. Which of the following is not a sales promotion tool?

- (a) Joint promotion (b) Finance deals
(c) Salesman trying to make a Sale (d) Free gifts

Ans. (c) Salesman trying to make a Sale

Q.23. The term 'advertising' is originated from the latin word :

- (a) adverton (b) addvi (c) adver to (d) advert

Ans. (c) adver to

Q.24. Who said that "Advertising is salesmanship without a personal salesman"?

- (a) Mason and Rath (b) Philip Kotler (c) Williamson (d) Adam Jackley

Ans. (a) Mason and Rath

Q.25. Outdoor salesman is also called :

- (a) ground salesman (b) flying salesman
(c) travelling salesman (d) None of these

Ans. (c) travelling salesman

UNIT-IV

Distribution & Retailing

SECTION-A (VERY SHORT ANSWER TYPE QUESTIONS)

Q.1. What is meant by channels of distribution?

Ans. A channel of distribution is an organized network or a system through which producers flow their products to the market. It combines all the activities required to link producers with consumers and consumers with producers to accomplish the marketing task. The selection of most appropriate channel of distribution is an important strategic task because, it is so important to make sure the availability of product more efficiently and economically.

A channel of distribution is the structure of intra company organisation units and extra company agents and dealers, wholesalers and retailers through which a commodity, product or service is marketed.

Q.2. What do you mean by the term 'middleman'?

Ans. The term 'middleman' is an informal word for an intermediary in a transaction or process chain. A middleman will facilitate interaction between parties, typically for a commission or fee. Some critics say that businesses and customers should try to "cut out the middleman" by dealing directly with each other, avoiding any increased costs or commissions. But Middlemen specialize in performing activities that are directly involved in the purchase and sale of goods in the process of their flow from producers to the ultimate buyers. Their position is between the producers and ultimate buyers.

Q.3. What do you mean by general wholesalers?

Ans. Wholesalers that fall into this category will usually buy large quantities of products from one or more suppliers and will be intending to add value to them by reselling in smaller quantities to distributors, retailers and resellers. This type of wholesale supplier will often have multiple suppliers adding diversity to their product range and choice for their customers. This type of wholesaler may resell products from a number of different industries and in several different categories.

Q.4. What are the major features of a wholesaler?

Ans. Following are the main features of a wholesaler :

1. A wholesaler buys in bulk quantities from producers and resells them to retailers in small quantities.
2. He usually deals in a few types of products.
3. He is a vital link between the producer and the retailer.
4. He operates in a specific area determined by producers.
5. He does not display his goods but keeps them in godowns. Only samples are shown to intending buyers.
6. A wholesaler may be an individual or otherwise a firm.

7. A wholesaler generally sets up distribution centre in parts of the country to make available goods to the retailers.
8. He sets up own warehouses to store goods for ready supply.

Q.5. Discuss the term 'retailer'.

Ans. The word 'retailer' had been derived from the French word 'Re-tailer' which means 'to-cut again'. Obviously, retailing means to cut in small portions from large lumps of goods. A retailer is last middlemen in the chain of distribution of goods to consumers. He is a link between the wholesalers and the consumer.

Retailing is a distribution process, in which all the activities involved in selling the merchandise directly to the final consumer. It encompasses sale of goods and services from a point of purchase to the end user, who is going to use that product. In the supply chain, retailers are the final link between the manufacturers and ultimate consumer.

Q.6. What is meant by physical distribution?

Ans. Physical distribution is the group of activities associated with the supply of finished product from the production line to the consumers. The physical distribution considers many sales distribution channels, such as wholesale and retail, and includes critical decision areas like customer service, inventory, materials, packaging, order processing, and transportation and logistics.

Physical distribution is concerned with the physical movement of the goods from the producer to the consumer. It is an important part of marketing activity and a major component of marketing mix.

Q.7. Explain the term 'order processing'.

Ans. Order processing includes the activities of receiving the orders, recording, filling, assembling, invoicing, dispatching and post dispatch adjustments. Each customer expects that the order placed by him should be implemented by company without delay on one hand and that the goods dispatched match perfectly to his order specifications. It ensures the upright execution of orders. It is very much concerned with the time of the placement of an order by the consumers and arrival of goods to the final users which is also known as the 'order cycle'.

Q.8. Define the term 'warehouse'.

Ans. A place used for the storage or accumulation of goods is termed as warehousing. It is an establishment that assumes responsibility for the safe custody of goods. In other words, Warehousing or storage refers to the holding and preservation of goods until they are dispatched to the consumers. Warehouses enable the businessmen to carry on production throughout the year and to sell their products, whenever there is adequate demand. Generally, there is a time gap between the production and consumption of products. By bridging this gap, storage creates time utility.

Q.9. What is meant by the term retail?

Ans. The term 'retail' is derived from the French word retailer which means 'to cut a piece off or to break bulk'. In simple terms, it implies a first-hand transaction with the customer. The word 'Retail' is the sale of goods to end users, not for resale, but for use and consumption by the purchaser. It involves the sale of merchandise from a single point of purchase directly to a customer who intends to use that product. The single point of purchase could be a brick-and-mortar retail store, an Internet shopping website, a catalog, or even a mobile phone. The retail transaction is at the end of the chain. Manufacturers sell large quantities of products to retailers, and retailers attempt to sell those same quantities of products to consumers.

Q.10. Discuss the major features of retailing.

Ans. Following are the major features of retailing :

1. It offers employment opportunity to all age groups irrespective of gender, qualification or religion, etc.
2. Sale volume is comparatively large in quantities but less in monetary value as compared to exporting/manufacturing.
3. Customer service plays a vital role in the success of a retail business.
4. Sales promotions are offered at this point only.
5. In almost all countries, retail outlets are more than any other form of business.
6. Location and layout are important factors for the success of the retail business.
7. It offers direct interaction with customers/end consumers.

Q.11. What are speciality stores?

Ans. These are the small retail outlets that focus on selling a particular product range and associated items. Most specialty store business operators will maintain considerable depth in the type of product that they specialize in selling, usually at premium prices, in addition to providing higher service quality and expert guidance to shoppers. Specialty stores don't have to be single locations or local businesses. Even large retailers, if focused on specific products, may pursue a specialty store strategy. Some examples of specialty stores are medical supplies, home decor, electronics, floor coverings, crafts, toys, or video games, etc.

Q.12. What do you know about a vending machine?

Ans. A vending machine is an automated machine that provides items such as snacks, beverages, alcohol, cigarettes and lottery tickets to consumers after money or a credit card is inserted into the machine. The first modern vending machines were developed in England in the early 1880s that dispensed postcards. Vending machines exist in many countries, and in more recent times, specialized vending machines that provide less common products compared to traditional vending machine items have been created and provided to consumers.

Q.13. What are the advantages of retail operation management?

Ans. Following are the main advantages of retail operation management :

1. Reduced learning curve and training costs with simple and familiar interfaces.
2. Efficient task management at the associate level.
3. Easy customization of role-based dashboards.
4. Data aggregation for effective business reporting.

Q.14. What is meant by marketing research?

Ans. Marketing research is a combination of two words, namely 'Marketing' and 'Research'. It is the systematic search for an analysis of facts related to a marketing problem. Marketing research helps in analysing the buyer's habits, relative popularity of products, effectiveness of advertisement media, etc., so that better decision can be made. In other words, Marketing research is the collection, analysing and interpretation of facts and figures related to all marketing functions for better Marketing Management. Therefore, it is necessary to plan and develop products according to the specifications of the customers.

Q.15. What do you mean by e-marketing?

Ans. E-marketing is a process of planning and executing the development, distribution, promotion, and pricing of products and services in a computerized networked environment,

such as the Internet and the World Wide Web, to facilitate exchanges and satisfy customer demands. It has two distinct advantages over traditional marketing. It provides customers with more convenience and more competitive prices, and it enables businesses to reduce operational costs.

Q.16. Explain the green marketing.

Ans. Green Marketing involves developing products & packages that are less harmful to the environment. It includes many areas ranging from conservation to control of pollution like uses of eco-friendly poly-bags, developing containers that are less damaging to the environment, plantation programmes etc.

According to William J. Stanlon, "Any marketing activity of an institution that is intended to create a positive impact or to lessen the negative impact of a product on the environment in order to capitalise on consumer's concerns about environmental issues. It encompasses everything from using recycled materials in making a product to claim on advertising or on package labels."

Q.17. Give any three features of service marketing.

Ans. Following are the three major features of service marketing :

1. **Changing Demand** : The demand for services has wide fluctuations and may be seasonal. Demand for tourism is seasonal, other services such as demand for public transport, cricket field and golf courses have fluctuations in demand.
2. **Pricing of Services** : Quality of services cannot be standardized. The pricing of services are usually determined on the basis of demand and competition. For example, room rents in tourist spots fluctuate as per demand and season and many of the service providers give off-season discounts.
3. **Direct Channel** : Usually, services are directly provided to the customer. The customer goes directly to the service provider to get services such as bank, hotel, doctor, and so on. A wider market is reached through franchising such as McDonald's and Monginis.

Q.18. What are the problems faced in marketing services?

Ans. Main problems faced in marketing services are :

1. A service cannot be demonstrated.
2. Sale, production and consumption of services takes place simultaneously.
3. A service cannot be stored. It cannot be produced in anticipation of demand.
4. Services cannot be protected through patents.
5. Services cannot be separated from the service provider.
6. Services are not standardized and are inconsistent.

Q.19. Discuss the term 'rural marketing'.

Ans. Rural Marketing is a process which starts with a decision to produce a saleable farm commodity and it involves all the aspects of market structure or system, both functional and institutional, based on technical and economic considerations and includes pre and post harvest operations, assembly, grading, storage, transportation and distribution.

The study of rural marketing comprises all the operations and agencies conducting them, involved in the movement of farm produced food, raw materials and their derivatives, such as textiles, from the farm to the final consumers and the effect of such operations on producers, middlemen and consumers.

Q.20. What is 'mega marketing'?

Ans. It is a strategy of penetrating into a market that opposes the entry of a foreign firm on some specific grounds. This strategy is formulated by foreign firms to gain entry into the countries, which stand unreceptive to such entry, by offering some specific benefits to the country in question or reasonable and honourable terms. This strategy calls for 'co-ordination of economic, psychological, political and public relations, skills to gain the cooperation of a number of parties in order to enter or operate in a given market.' This strategy is called mega marketing. The strategy pursued by Coco-Cola Company in India is the best example of mega marketing.

SECTION-B (SHORT ANSWER TYPE) QUESTIONS

Q.1. Give the major definitions of channels of distribution.**Ans. Definitions of Channels of Distribution**

Following are the main definitions of channels of distribution :

As per American Marketing Association, "A channel of distribution is the structure of intra company organisation units and extra company agents and dealers, wholesalers and retailers through which a commodity, product or service is marketed."

According to Philip Kotler, "Marketing channels are set of interdependent organizations involved in the process of making products or services available for use or consumption."

According to Cundiff, Still & Govani, "Marketing Channels are the distribution networks through which producers' products flow to the market."

According to McCarthy, "Any sequence of distribution from the producer to the consumer including none or any number of middlemen is called channels of distribution."

Richard Buskrik Opines, "Distribution channels are system of economic institution through which a producer of goods delivers them into the hands of their users."

As per J. Stanton, "A channel of distribution for product is the route taken by the title the goods as they move from the producer to the ultimate consumer or industrial user."

According to John A Haward, "Marketing channels are the combination of agencies through which the seller, who is often, though not necessarily, the manufacturer, markets his product to the ultimate user."

Q.2. What do you mean by the term 'middlemen'? Explain briefly.**Ans. Meaning of Middlemen**

Middleman can be defined as a person who acts as an intermediary in process and transaction chain. A middleman normally facilitates interaction between parties for their mutual benefit and he also gets a cut or commission for the same. In simple language a middleman can be defined as a person or company that connects buyers with sellers.

The term 'middleman' is an informal word for an intermediary in a transaction or process chain. A middleman will facilitate interaction between. parties, typically for a commission or fee. Some critics say that businesses and customers should try to "cut out the middleman" by dealing directly with each other, avoiding any increased costs or commissions. But Middlemen specialize in performing activities that are directly involved in the purchase and sale of goods in the process of their flow from producers to the ultimate buyers. Their position is between the producers and ultimate buyers.

Since a middleman charges commission to different parties, the parties may be businesses or customers try to cut out the middleman so that they can directly deal with each other and don't have to pay any commission to the intermediary thus reducing extra costs. Generally, goods are manufactured in enormous quantities at few locations. However the end consumers are dispersed over different geographical locations. Therefore, the uses of a middleman or a distributor by manufacturer help them distribute the products quickly and efficiently.

Q.3. Discuss the major functions of wholesaler.

Ans.

Functions of Wholesaler

The most important functions of a wholesaler in the marketing of goods are as under :

1. **Assembling Goods** : The wholesaler buys good from different manufacturer producing the same streak of goods. He assembles them in his warehouse for the purpose of sale to the retailers.
2. **Storage of Goods** : A wholesaler stores the goods in his warehouse. He makes them available in appropriate and requisite quantities as and when they are required by retailers.
3. **Grading and Packing** : A wholesaler sorts out the goods according to their quality, size, shape, content etc and then packs them carefully to sell them to the retailers.
4. **Transportation of Goods** : Wholesaler buys goods in bulk from the producers and transports them in his own godown. The wholesaler also provides the facility of transportation to the retailer shop, which is one of the important functions of wholesale trading.
5. **Provides Financing Facilities** : This is an important function of wholesaler. A wholesaler usually buys goods on cash from the producers and sells on credit to the retailer. In this way, he provides financing facilities to trade transactions.
6. **Risk Bearing** : The wholesaler bears all the trade and financial risks of the business. Since he buys goods in bulk for making them available to retailer in small quantities, he takes all the risk involved in marketing of goods. He not only assumes the risk of loss arising from a unexpected fall in the prices of goods but also the risks of damage, deterioration in quality, spoilage etc in his warehouse.
7. **Provides Market Information** : One of the most important functions of wholesaler is that it provides important market information to retailer and manufacturer, which help the retailers about the demand of consumer and manufacturer, so that he produces the goods according to the changes in the tastes and fashions of the consumer.

Q.4. What is meant by retailer? Explain briefly.

Ans.

Meaning of Retailer

The word 'Retailer' had been derived from the French word 'Re-tailer' which means 'to-cut again'. Obviously, retailing means to cut in small portions from large lumps of goods. A retailer is last middlemen in the chain of distribution of goods to consumers. He is a link between the wholesalers and the consumer.

Retailing is a distribution process, in which all the activities involved in selling the merchandise directly to the final consumer. It encompasses sale of goods and services from a point of purchase to the end user, who is going to use that product. In the supply chain, retailers are the final link between the manufacturers and ultimate consumer.

The American Marketing Association defines retailing as “the activities involved in selling directly to the ultimate consumer for personal and non-business use. It embraces direct-to-customer sales activities of the producer, whether through his own stores or by house-to-house canvassing or by mail-order business.”

As per William J. Stanton, “A retailer or a retail store is a business enterprise which sells primarily to the ultimate consumers for non- business use.”

According to Candiff, “Retailing consists of those activities involved in selling directly to ultimate consumers.”

McCarthy Opines, “Retailing is selling final consumer products to householders.”

In nutshell we can say that retailer is a person, agent, agency, or organization between producer and consumer, which is instrumental in reaching the goods, merchandise, or services to the ultimate consumers.

Q.5. Discuss the main features of retailers.

Ans. Features of Retailers

Following are the main features of retailers :

1. A retailer is the link between a wholesaler and the ultimate consumer and he is the last intermediary in distribution.
2. A retailer buys goods from wholesaler in bulk and resells them to consumers in small quantities.
3. A retailer maintains a personal contact with his customers.
4. A retailer makes sufficient shop display of his wares to attract customers.
5. Retailers perform all the marketing functions which a wholesaler performs and in addition emphasizes on advertisement.
6. Retailers deal in a variety of merchandise and are often known as general merchants.
7. Usually retailers are classified into two major groups, viz., small scale retailers and large scale retailers.
8. Retailers aim at providing maximum satisfaction to their customers in limited area.

Q.6. What are the major functions of retailers?

Ans. Functions of Retailers

A retailer may perform following functions :

1. **Assists in Introducing New Products** : Without the services of retailers, new products cannot be introduced properly in the market. This is so because a retailer has a direct link with the consumer. He can explain nicely about the utility and the characteristics of a new product to the customer.
2. **Warehousing or Storing** : After assembly of goods from different suppliers, the retailers preserve them in stores and supply these goods to the consumers as and when required by them. The goods are kept as reserve stocks in order to ensure uninterrupted supply to the consumers.
3. **Selling** : The end objective of the retailer is to sell the goods to consumers. He undertakes various methods to sell goods to the ultimate consumers.
4. **Credit Facilities** : He caters to the needs of the customers even by supplying them goods on credit. He bears the risk of bad debts on account of non- payment of amount by the customers.
5. **Risk Bearing** : A retailer has to bear different type of risks in relation to goods. While in stores, goods are exposed to various risks like deterioration in quality, spoilage and

perishability etc. The products are confronted to natural risks viz; fire, flood, earthquake and other natural calamities. Other type of risks like change in customer's tastes also adversely affects the sales.

6. **Grading and Packing :** The retailer grades the goods which are left ungraded by the manufacturers and the wholesalers. He packs the goods in small packages and containers for the convenience of the customers.
7. **Collection and Supply of Market Information :** The retailers are in direct touch with the consumers. They gather invaluable information with regard to likes dislikes tastes and demands of the consumers and pass on this information to the wholesalers and the producers which are very helpful to them.
8. **Buying and Assembling :** A retailer deals in different variety of goods which he purchases from different wholesalers for selling to the consumers. He tries to locate best and economical source of the supply of goods.

Q.7. Give the major definitions of physical distribution.

Ans. Definitions of Physical Distribution

Following are the major definitions of physical distribution :

William J. Stanton Opines, "Physical distribution involves the management of physical flow of products and establishment and operation of flow systems."

As per Philip Kolter, "Physical distribution is planning, implementing and controlling the of physical flows of materials and final products, from point of origin to point of use, to meet customer's needs at a profit."

According to Candiff, "Physical distribution involves the actual movement and storage of goods after they are produced and before they are consumed."

E.J. McCarthy states that, "Physical distribution is the actual handling and moving of goods within individual firms and along with channel systems."

The National Council of Physical Distribution Management (NCPDM) states that, "Physical distribution is a broad range of activities concerned with efficient movement of finished goods products from the end of the production line to the consumer.....and in some cases includes movement of raw material from the sources of supply to the beginning of the product line."

On the basis of above definitions, finally we can say that physical distribution is the management of physical flow of products and establishment of operation of flow systems.

Q.8. What are the main objectives of physical distribution?

Ans. Objectives of Physical Distribution

Following are the main objectives of physical distribution :

1. it aims to develop good and effective communication system.
2. It also aims for providing better and satisfactory customer services.
3. To reduce cost of distribution by making more sales volume.
4. To achieve a larger market share by intelligent managing of the physical distribution system and determining the optimum number of warehouses, improving materials handling, increasing stock turn over and efficient mode of transportation.
5. To achieve minimum inventory level by speedier transportation facility.
6. To stabilize prices of the products by an efficient and effective management of physical distribution.

7. To provide technological developments to solve the complex problems of routing, inventory controls and warehousing.
8. Ensuring the availability of the right goods to the right places at the right time at lowest cost.

Q.9. What are the major advantages of physical distribution?

Ans. Advantages of Physical Distribution

Following are the main advantages of physical distribution :

1. **Reduction in Distribution Costs** : Through effective physical distribution, economy can be brought about in tangible and intangible costs by systematic planning of materials level, warehousing location and operations, speedy transportation modes, material handling, order processing and communication. The attainment of the objective of cost reduction could be successfully made not only in production activities but also in many areas of marketing with the help of physical distribution.
2. **Broader Marketing Scope** : An effective physical distribution system ensures the availability of right products at the right place and time and at the lowest possible cost, to the customers. Hence, many marketers have now going to start the effective use of physical distribution.
3. **Creation of Utilities** : Physical distribution facilitates the place and time dimensions. The two main components of physical distribution are transportation and warehousing. The transportation system creates place utility by bringing goods where they are not needed to the places where they are essentially needed. Warehousing system is known for creating time utility by holding the goods from the time of their production till their consumption.
4. **Improved Customer Services** : Physical distribution provides product availability at the time and location corresponding to the customer needs. It provides high levels of customer satisfaction through a viable distribution system which takes into account of various factors like, time consideration, dependability, communication, availability and convenience. Thus, physical distribution, facilitates improved customer services.

Q.10. What are public warehouses? Discuss the significant advantages.

Ans. Public Warehouses

This is another part of the warehouses classified on the basis of ownership. These are not owned by any trader, manufacturer or firm privately rather these warehouses are established under the ownership of the Government for the use of all against a stipulated consideration. The best known and the most widely accepted services are offered by public warehouses. Products can be stockpiled in appropriate physical condition and in strategic locations until the seller wishes to distribute them to customers. The users will, however, have to pay rental charges calculated on the basis of area occupied, period used, special nature of the commodity, etc. Because of this, these warehouses are also known as duty-paid warehouses. They are either owned by the Government or by private people under a license from the Government.

Advantages of Warehouse : There are some significant advantages of public warehouses as discussed below :

1. **Open for All** : The services of public warehouses may be utilized by anyone who pays the required charges.
2. **Relaxation from Recurring and Non-recurring Expenditure** : It gives relaxation to the producer from meeting recurring and non-recurring expenditure on construction

and maintaining a warehouse of his own. In other words, public warehouses offer quick delivery without cost of building a private facility.

3. **Relaxation from Capital Investment** : The producers can get the relaxation from the capital investment and can use the investments in new capital structure.
4. **Relaxation from Risks** : It reduces distribution risks and increases flexibility for entering new markets on account of convenient locations.
5. **Financial Help** : The public warehouses provide financial facilities to the traders and manufacturers by providing collateral securities for bank loans and also by granting loan facilities to manufacturers and traders.
6. **All other Benefits** : Besides above the public warehouses provide all other benefits as similar to the private warehouses.

Q.11. Explain the meaning and definitions of retailing.

Ans. Meaning and Definition of Retailing

The activities in the selling of goods to ultimate consumers for personal or household consumption is termed as retailing. It consists of selling merchandise from a permanent location (a retail store) in small quantities directly to the consumers. These consumers may be individual buyers or corporate.

A retailer purchases goods or merchandise in bulk from manufacturers directly and then sells in small quantities are known as Retail stores or shops. Shops may be located in residential areas, colony streets, community centers or in modern shopping arcades/malls.

Philip Kotler Opines, "Retailing includes all the activities involved in selling goods or Services directly to final consumers for personal, non-business use".

So, we can say that, it is a convenient, convincing and comfortable method of selling goods and the services. Retailing, though as old as business, trade and commerce has now taken new forms and shapes. This is because of new management techniques, marketing techniques and also due to ever changing and dynamic consumer psychology.

Q.12. Discuss the management of retail operation? Also state the challenges faced in retail operation management.

Ans. Management of Retail Operations

Retail operation is a field that studies all mechanisms to keep the store functioning well. It includes a broad spectrum of activities, from people management to the supply chain, store layout, cash operations, physical inventory, master data management, offers and pricing, etc.

Retail operations management requires an understanding of merchandising, logistics and cost control in order to move items from stores or production facilities into the hands of consumers. It is the lifeblood of our business. A store manager's job is about managing resources such as people, merchandise, finances and promotions to deliver optimal customer service levels.

With hundreds of tasks to perform daily, retailers need insight into day-to-day operations at the store level. Unfortunately, many retailers rely on paper-based systems and word-of-mouth communication, which can result in incomplete tasks, strained management, and increased costs. A retail operations management solution provides a collaboration portal to the store level that allows the assignment and tracking of day-to-day operations in real-time, and can allow for task management to the associate level through the use of point-of-sales (POS) terminals and/or kiosks.

Challenges in Retail Operation Management : Retail operations management teams typically face the following challenges :

1. Reduced floor visibility of store and departmental managers.
2. Poor communication and accountability between corporate offices and retail stores.
3. Delayed task execution and under utilization of employee resources.
4. Insufficient visibility and insight into marketing, merchandising and operational tasks.

Q.13. Give the meaning and definitions of e-marketing.

Ans.

Meaning of E-marketing

E-marketing may be described as a process of planning and executing the development, distribution, promotion, and pricing of products and services in a computerized networked environment, such as the Internet and the World Wide Web, to facilitate exchanges and satisfy customer demands. It has two distinct advantages over traditional marketing. It provides customers with more convenience and more competitive prices, and it enables businesses to reduce operational costs.

Through e-marketing and online shopping, customers can get market information from their computers or cell phones and buy goods or find services without leaving home twenty-four hours a day and seven days a week (24/7). They can read ads on the Web or from e-mail, get e-coupons, view pictures of goods, compare prices, and make purchases with a few clicks of their mouse and saving time and money. At the same time, e-businesses can reduce costs in distribution channels and physical store space and thus pass the savings on to customers.

Definitions of E-Marketing

Kotler and Keller Opine, "E-Marketing portrays company efforts to inform and communicate with buyers, and promote and sell its products and services over the Internet."

McDonald and Wilson define e-marketing as, "E-Marketing refers to as web marketing or internet marketing use electronic communication technologies including the Internet, mobile phones and digital televisions to accomplish marketing objectives."

Q.14. What are the various types of e-marketing?

Ans.

Types of E-marketing

1. **Article Marketing :** Engaging quality content by providing valuable information to your targeted market, what people are looking for over the internet to solve a certain problem? It is a consistent and ongoing process of delivering quality content to your readers. It is not always about selling; you're educating your audience and helping them by adding some value in their lives.
2. **Search Engine Optimisation (SEO) :** Search engine optimisation is considered the art of increasing the appearance of your website in the first results of search engines such as Google search engine. This is done by targeting keywords in your website to appear in search engines in the top results.
3. **Paid Advertising :** Paid ads are ads appear in search engines, and they are one of the best types of e-marketing. They appear beside or above the search results. Paid ads are depending on the keywords that used to help your ad appears in the search engines.
4. **Social Media Channels :** Social media is a type of communication with our customers directly in order to highlight the value of our company's products and services, increase the company's fame and spread through several social media channels such as Facebook, Twitter, Google Plus, LinkedIn, YouTube and Instagram.

5. **Video Marketing** : It is said that a picture is worth a thousand words, and a video is worth thousands of pictures. You can catch the attention and emotions of your target market by showing them a video clip about your product or service. Video marketing is very effective if it conveys the right message to the right audience.
6. **E-Mail Marketing** : Marketing through e-mail is one of the popular methods of e-marketing. E-mail marketing includes marketing a product or service to a database through targeting a certain segment of customers via e-mails. E-mail marketing is considered one of the best e-marketing methods because of its low cost, targeting the correct category, simplicity of use and increasing the return on investment from using it.

Q.15. What do you mean by relationship marketing?

Ans. Meaning of Relationship Marketing

The practice of building long-term satisfying relationships with customers, suppliers and distributors is called as relationship marketing. Relationship marketing is also called as Customer Relationship (CRM). In age of cut-throat or high competition marketer try to build-up long-term, trusting, "win-win" relationship with valued customers, distributors, dealers and suppliers to accomplish this by promising and delivering high quality, good services and fair prices to the other parties over time.

Philip Kotler states that, "Relationship marketing aims to build mutually satisfying long-term relationship with key constituents in order to earn and retain their business."

Relationship marketing involves following steps :

1. Identifying the key customers who will influence the firm's future pects.
2. Appointment of skilled relationship manager.
3. Preparing detailed job descriptions for the relationship managers.
4. Developing long-run customer relationship.
5. Maintaining continuous contact with customers. Listening carefully and responding positively to their complaints.

Relationship marketing refers to all marketing activities directed towards establishing, developing and sustaining long lasting relationship between concern parties.

Q.16. What is meant by direct marketing? What are its main features?

Ans. Meaning of Direct Marketing

Direct Marketing establishes one-to-one relationship use of mail, telephone, fax, e-mail and other non-personal methods to communicate directly to prospective customers.

Direct Marketing Association (USA) states that, "Direct Marketing is an interactive marketing system that uses one or more advertising media to affect a measurable response and/or transaction at any location."

Features of Direct Marketing : The direct marketing has following characteristics :

1. Utilization of impersonal means of advertising like T. V., E-Mail, Tax, Voice mail etc.
2. Customized to targeted person.
3. Up-to-date and very quickly delivery to an individual.
4. Interactive message can be altered on person's response.
5. It is non-public marketing addressed to a specific person.

Followings are the important channels of Direct Marketing :

1. Face-to-face selling
2. Direct Mail Marketing
3. Catalogue Marketing.

Q.17. What is meant by service marketing? Discuss the major features of service marketing.

Ans. Meaning of Service Marketing

A major development has been the growth of services marketing. Service industries have been the major growth area in most developed economies. Banking and finance, insurance, healthcare, tourism and leisure are all major service industries that need and use the tools of marketing. However there are differences in the application of marketing principles for the services marketer. A major difference is the need to consider the elements of the marketing mix from a slightly different perspective.

In addition to the conventional four Ps' of product, price, place, and promotion it is suggested that a fifth 'P' at least should be added to this mix, namely the 'people' element. 'People' means anyone who directly interfaces with customers including: sales representatives, commission agents, distributors, franchise holders, service engineers, etc.

Features of Services Marketing

Following are the main features of service marketing :

1. **Perishability** : Services have a high degree of perishability. Unused capacity cannot be stored for future use. If services are not used today, it is lost forever. For example, spare seats in an aeroplane cannot be transferred to the next flight. Similarly, empty rooms in five-star hotels and credits not utilized are examples of services leading to economic losses. As services are activities performed for simultaneous consumption, they perish unless consumed.
2. **Inseparability** : Personal services cannot be separated from the individual. Services are created and consumed simultaneously. The service is being produced at the same time that the client is receiving it; for example, during an online search or a legal consultation. Dentist, musicians, dancers, etc. create and offer services at the same time.
3. **Heterogeneity (or variability)** : Services involve people, and people are all different. There is a strong possibility that the same enquiry would be answered slightly differently by different people (or even by the same person at different times). It is important to minimize the differences in performance (through training, standard setting and quality assurance). The quality of services offered by firms can never be standardized.
4. **Intangibility** : A physical product is visible and concrete. Services are intangible. The service cannot be touched or viewed, so it is difficult for clients to tell in advance what they will be getting. For example, banks promote the sale of credit cards by emphasizing the conveniences and advantages derived from possessing a credit card.

Q.18. Explain the following :

(i) Global Marketing, (ii) Cooperative Marketing.

Ans. (i) Global Marketing

Another major development in marketing has been an increasingly international and global approach to marketing. Marketers have extended their activities, and international marketing has been one of the fastest growing areas of trade and commerce. Factors like the continued liberalization of international trade, more multinational customers and potential for profit opportunities have led to the growth of global companies increasingly marketing global brands.

More recently, information technology-and particularly the Internet-have shrunk the world even further. A business might have partners and employees half a world away, and consumers can get products from those locations in a matter of days.

(ii) Cooperative Marketing

An agreement between two companies to promote or sell each other's product while selling their own is called as cooperative marketing. The products can either be complementary or might have different seasonal cycles.

To explain in simpler terms, if you and your neighbour sell different products from a common premise it will be called as cooperative marketing. The arrangements in cooperative marketing are usually free from any legal bindings and are informal.

Cooperative marketing presents the collaboration between two or more partners or companies to achieve common or distinct goals. Most of the time, the companies with related businesses are the ones which benefit the most from this strategy due to the sharing of marketing expenses, man-power, etc.

The example of Cooperative marketing is "Dell" and "Intel". We find that Dell marketing an "Intel inside" logo. Now this form of marketing is useful for Dell because people then trust Dell's laptop. But it is also useful for Intel because people know that Dell has Intel inside. Thus, it is beneficial for both and both the companies have to be involved together. Hence it is a practical implementation of Cooperative marketing.

Q.19. What are the major features of rural marketing?

Ans. Features of Rural Marketing

Following are the main features of rural marketing :

1. **Traditional Outlook** : The rural consumer values old customs and traditions. They do not prefer changes. Gradually, the rural population is changing its demand pattern, and there is a demand for branded products in villages.
2. **Higher Purchasing Capacity** : Purchasing power of the rural people is on the rise. Marketers have realized the potential of rural markets, and thus are expanding their operations in rural India. In recent years, rural markets have acquired significance in countries like China and India, as the overall growth of the economy has resulted in a substantial increase in the purchasing power of rural communities.
3. **Market Growth** : The rural market is growing steadily over the years. Demand for traditional products such as bicycles, mopeds and agricultural inputs; branded products such as toothpaste, tea, soaps and other FMCGs; and consumer durables such as refrigerators, TV and washing machines have also grown over the years.
4. **Development of Infrastructure** : There is the development of infrastructure facilities such as the construction of roads and transportation, communication network, rural electrification and public service projects in rural India, which has increased the scope of rural marketing.
5. **Low Standard of Living** : The standard of living in rural areas is low and rural consumers have diverse socio-economic backwardness. This is different in different parts of the country. A consumer in a village area has a low standard of living because of low literacy, low per capita income, social backwardness and low savings.
6. **Large and Scattered Population** : According to the 2001 census, 740 million Indians forming 70 per cent of India's population live in rural areas. The rate of increase in rural population is also greater than that of the urban population. The rural population is scattered in over 6 lakh villages. The rural population is highly scattered, but holds a big promise for the marketers.

Q.20. Discuss the various challenges faced by rural marketing.

Ans. Challenges faced by Rural Marketing

Following are the major challenges faced by rural marketing :

1. **Different Way of Thinking** : There is a vast difference in the lifestyles of the people. The choice of brands that an urban customer enjoys is not available to the rural customer, who usually has two to three choices. As such, the rural customer has fairly simple thinking and their decisions are still governed by customs and traditions. It is difficult to make them adopt new practices.
2. **Warehousing Problem** : Warehousing facilities in the form of godowns are not available in rural India. The available godowns are not properly maintained to keep goods in proper conditions. This is a major problem because of which the warehousing cost increases in rural India.
3. **Problems in Sales Force Management** : Sales force is generally reluctant to work in rural areas. The languages and dialects vary from state to state, region to region, and probably from district to district. Since messages have to be delivered in the local language, it is difficult for sales force to communicate with the rural consumers. Sales force finds it difficult to adjust to the rural environment and inadequate facilities available in rural areas.
4. **Deprived People and Deprived Markets** : The number of people below the poverty line has not decreased in any appreciable manner. Thus, poor people and consequently underdeveloped markets characterize rural markets. A vast majority of rural people is tradition bound, and they also face problems such as inconsistent electrical power, scarce infrastructure and unreliable telephone system, and politico-business associations that hinder development efforts.
5. **Lack of Communication Facilities** : Even today, most villages in the country are inaccessible during the monsoons. A large number of villages in the country have no access to telephones. Other communication infrastructure is also highly underdeveloped.
6. **Underdeveloped Transport Facilities** : Many rural areas are not connected by rail transport. Many roads have been poorly surfaced and got severely damaged during monsoons. The use of bullock carts is inevitable even today. Camel carts are used in Rajasthan and Gujarat in both rural and urban sectors.
7. **Many Languages and Dialects** : The languages and dialects vary from state to state, region to region and probably from district to district. Since messages have to be delivered in the local language, it is difficult for marketers to design promotional strategies for each of these areas. Facilities such as phone, telegram and fax are less developed in villages adding to the communication problems faced by the marketers.

SECTION-C (LONG ANSWER TYPE) QUESTIONS

Q.1. Discuss the role or functions of channels distribution.

Ans. Role or Functions of Channels of Distribution

Some of the major role or functions of channels of distribution :

1. **Contacting Customers** : Companies depend on distribution channels for selling their products. They use various intermediaries for distributing their products among largely scattered people. It is the role of intermediaries involved in the selling process

to find and contact prospective customers. Intermediaries meet them personally and try to match the buyer needs with their product. They motivate the buyer to buy the products. This way they contact large number of people and aim to increase the sales of companies.

2. **Information Provider** : Distribution channels are like communication network between companies and customers. It serves as the medium through which customers acquire information about companies. Companies also collect the required information from the market and its customers through their distribution network. They receive all suggestions and complaints from their customers through this. This all collected information helps businesses in understanding the market needs better. They will implement the information collected in their strategies and will aim to improve their service quality.
3. **Negotiation** : Distribution channel does the work of negotiating with customers to arrive at fair deal. Companies do not interact directly with their customers. It is the intermediaries involved in the distribution network that reaches out to customers and meet them physically. They give all detail information about quality, price and various terms and conditions to customers. Customers interact with these intermediaries and negotiate for a fair deal. This helps in making the customer happy and improving their loyalty towards the business.
4. **Movement of Goods** : It is important that products move from producers to customers smoothly. Distribution channels are the one through which business is able to deliver their products. The place of production and consumption of products are not the same. It is very important that products move on time and properly to their ultimate customers. If there is no proper network for distribution, then these products are lying useless. Companies will also incur losses no matter how efficiently they are working. Movement of goods between manufacturers and customers is important task performed by the distribution channel.
5. **Marketing of Products** : Marketing of products is very essential to increase the sales of companies. It helps the customers in getting aware of the company presence and its products features. Efficient marketing strategies help businesses in winning the competition and ultimately the loyalty of customers. Intermediaries are the one that interacts with the customers. They understand the customer need and accordingly introduce them with. the products. Intermediaries explain customer's features of products properly and motivate them to buy it. They also introduce different products to companies. This way they help companies in marketing their products in the market.
6. **Forecasting the Demand** : Channels of distribution or middlemen help to forecasting the demand in future because; they are very close to consumers.
7. **Helps in Pricing of Products** : It helps in pricing of a product because middlemen are very close to the ultimate users and know what they can pay for the product. They are source of information about product qualities and disqualities. These information are used as a input of Marketing Research.

8. **Eliminates the Limitation of Direct Marketing :** It eliminates the limitation of direct marketing which is costly, having various transaction and time consuming process. It helps to stabilize prices by proper stocking and content flow of goods.
9. **Storing and Distributing Products :** Storing of goods and delivering them according to needs is important role played by the distribution channels. Intermediaries involved in distribution network buys goods in large bulk from the producers. These large quantities of goods are held and stored by them safely in warehouses. They divide these large stocks by assorting and grading as per customer requirements. It helps businesses in regulating proper supply of goods in the market as per the demands. This will increase the customer base and revenue for business.
10. **Financing :** Distribution channel provides proper finance to the businesses for carrying out these activities smoothly. They ensure a regular flow of funds to the producers. Intermediaries buy the products from producers in large bulk and make payment for their purchases. This saves the producers from blocking of funds in goods till the sale of goods.

When funds are provided timely the company is saved from facing any financial crisis. Also, the distribution channel aims at reducing the effective cost of distribution and so that the overall cost of the product can be minimised.

Q.2. Explain the various types of distribution channels.

Ans.

Types of Distribution Channels

The distribution channels are classified into two main segments namely conventional and non-conventional. These two are discussed below :

Conventional Channels or Non-Integrated Channels

Conventional channels are the channels in which each enterprise operates separate and self owned channels on the basis of self-interest. The conventional channels of distribution could again be categorized into two categories-i.e., direct and indirect channel.

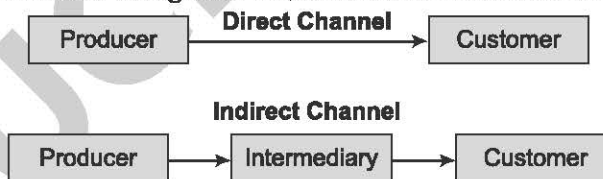


Fig. Conventional Channels

1. **Direct Channel :** Under direct channel there is no intermediary. Sales are made directly to consumers without the help of intermediary, either by mail or by house to house visit, or by retail shops. This channel is frequently used in :
 - (a) Perishable Goods (Bakery Goods, Fruits, Vegetables, Eggs etc.)
 - (b) High Priced Products (Expensive electrical products, Engineering products, Household Appliances)
 - (c) Industrial Products (Technical Instruments, Machines, Parts etc.)
 - (d) New costly cosmetics and perfumes.
2. **Indirect Channel :** Indirect channel is one which employs the services of intermediaries in moving the goods to the consumers. The whole process of indirect channel of distribution may be represented diagrammatically as follows :

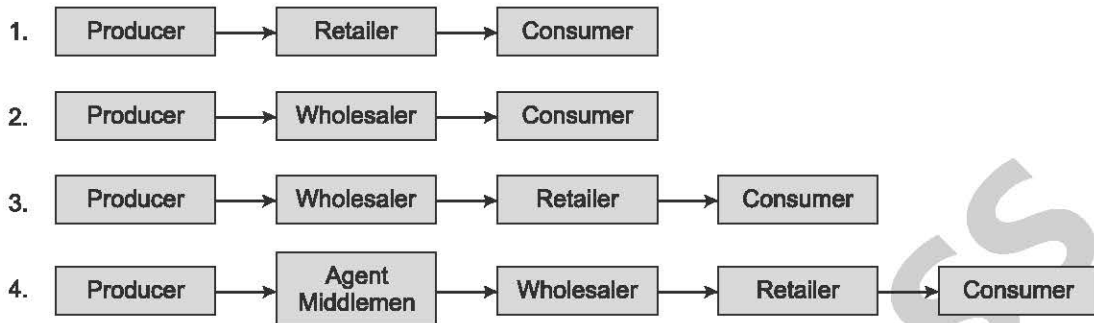


Fig. Indirect channels of distribution

- (a) **Producer to retailer to consumer** : This channel is preferred where the goods to be sold are specialty goods such as high fashion clothing, high class shopping goods etc. Distribution here takes place, through big retail shops, Departmental Stores, Chain Stores, and Super Markets etc. For example, Bata Co., Liberty Shoe, Raymond, D. C. M. Company use this channel by establishing their own retail stores. This channel is suitable in the case of perishable consumer products.
- (b) **Producer to Wholesaler to Consumer** : Under this channel goods move from producers to wholesalers and back to consumer directly without having recourse to retailer. This is the most commonly used when the consumers are not individual buyer but are institutional buyer such as hospitals, schools, colleges, Government agencies, public enterprises, business houses, sport clubs etc. Though it is used in case of those companies, manufacturing consumer durable goods. These two channels are known as one 'Level Channel'.
- (c) **Producer to Wholesaler to Retailer to Consumer** : It is traditional or 'orthodox' marketing channel. It is most commonly used in case of consumer goods particularly where the demand is elastic and numbers of similar products are available. This is known as two level channels. Lower-order shopping and convenience goods are generally sold in this way.
- (d) **Producer to Agent Middlemen to Wholesaler to Retailer to Consumer** : It is a longest indirect channel. This channel is used by those firms who cannot afford to develop a sales force of their own. This is generally done by companies with multiple product portfolio and producing consumer non-durables on large scale national and international market. Under this longest channel manufacturer takes services of sales agents and pass on the risk of marketing the goods to the selling agents and he concentrate only on production.

Non-Conventional or Integrated Channels

Non-conventional channels or integrated channels are network in which channel components work with full co-ordination and well-organized manner (cohesion manner) rather than working in loose manner.

These integrated channels can be 'vertical' and 'horizontal' in nature :

1. **Vertical Channels** : Vertical integrated channels of distribution are those which are centrally planned and managed by professionals. These channels are rationalized and capital intensive networks designed to achieve technical, managerial and promotional economies through integration, co-ordination and synchronization of marketing flows from the point of production to the ultimate consumer.

According to M. C. Common, "Vertical Distribution Channels are rationalized and capital intensive networks designed to achieve technological, managerial and promotional economies and maximum market impact."

These vertically channels are of three types: Administered, Contractual and Corporate.

- (a) **Administrative System** : Under administrative system manufacturer controls the marketing of a particular line rather than a complete store operation. It co-ordinates all the functions of production and distribution through the use of programmes developed by one or a limited number of firms. This is generally followed by two-wheeler or three-wheeler or four-wheeler manufacturer.
 - (b) **Contractual** : Under which independent firms are employed on a voluntary basis to develop a more efficient distribution channels. This system works through franchises or retail co-operatives or voluntary chains. Thus, the manufacturers hire the services of other unit on contract basis, who agree to follow his distribution policies.
 - (c) **Corporate Channels** : A corporate channel is one in which the channels components are owned and operated by the same organization. It has huge investment but it has advantage of full control. D. C. M. and Bata Shoe Company are the best examples of this type of vertical channel.
2. **Horizontal Distribution Channel** : In this channel two or more companies jointly distribute their product in the market, either by themselves or by creating an independent unit. The objective is that, to gain the maximum marketing opportunities. The examples of this kind are Sugar Syndicate of India, Associated Cement Company (ACC), and Hindustan Lever Ltd. etc. The main reasons for horizontal marketing integration are: the ever changing markets, cut-throat competition, changing pace of technology, cyclical and seasonal changes in consumer demand etc.

Q.3. What are the major factors that affect the choice of distribution channels?

Ans. Factors affecting Choice of Distribution Channels

Following are the major factors that affect choice of distribution channels :

1. **Product Considerations** : The choice of distribution channels is also affected by the nature and type of product.
It includes the followings :
 - (i) **Perishable Products** : When product is of a perishable nature, shorter channel will be preferred. For example, fresh products and fruits, fashion products etc. are prefer for a short channels, While in non-perishable products, wide choice of channels may be made.
 - (ii) **Unit Value** : Unit value of a product does influence the distribution channel. If the product is of high value, shorter and costly channel may be used. If product is of low value, larger and cheap channels will be used for intensive distribution. For example, high value industrial products are sold directly, while FMCG products are sold by help of retailers.
 - (iii) **Technical Nature of the Product** : In case of technical nature of product that's required regular service or specialised repair service, are often distributed directly to the user. The products like computer, A. C., automobile are highly technical in nature and marketed direct or through retailer who may give complete detail about the utility of the product as well as proper required service after sale.

- (iv) **Standardised product** : Standardised product can be distributed through longer channels because their brand names are very popular. If the product is unstandardised salesman calls directly to consumers or the retailers are approached directly.
 - (v) **Bulk and Weight** : In case of bulky and heavy goods, shorter channels may be preferred in order to minimise physical handling of the product because transportation of such a product involves huge cost.
 - (vi) **Product line** : In case, if a manufacturer manufacturing several products in the same product line, a shorter channel will be opt for broader this product line. It is economical for marketers.
2. **Market Considerations** : Following features of market may influence the choice of channel for distribution :
- (i) **Buying Habits** : Customer buying habits like, willing to expend, the desire for credit, the preference for personal attention etc., are directly affected the choice of distribution channels. For example, in case of frequent uses products retail stalls may be required for again and again sell.
 - (ii) **Nature of the Market** : It is the key factor to opt channels of distribution. If the product is intended for industrial market or industrial users, the channels of distribution will be a short one. For example, industrial user purchase in large quantities, they can purchase directly from the producer. But in case of product meant for the consumer, retailer may have to be employed.
 - (iii) **Number of Potential Customers** : In case, if there is a large number of potential customers, a number of middlemen's services will be needed and if it is small, the manufacturer may be able to sell directly by using his own sales force.
 - (iv) **Order Size** : In case of large order size, direct selling is convenient and economical, as in the case of food products, sales grocery chain stores. But where the product is sold in small quantities, middlemen are used to distribute such products.
 - (v) **Size of Market** : In case size of market is large or spread over the whole country, a number of middlemen's service may become essential to sell the product to the widely dispersed consumer. Otherwise, where prospective customers are located in a particular region, direct selling is more feasible.
3. **Manufacturer Considerations** : Manufacturer considerations have an important impact on the selection of channels of distribution. These include :
- (i) **The Post-Sale Service Ability** : Some products like electronics or technical nature products require after sale service. In many cases, a warranty is associated with product. In absence of warranty, periodic service may be required in order to keep the product operating. For this purpose a manufacturer can find good retailers for selling its products.
 - (ii) **Desire for control of channels** : When a manufacturer has a desire to control of channels will select a short channel of distribution even though it may be more costly.
 - (iii) **Volume of production** : If a big manufacturer manufacturing a wide range of products in large volume, he may sell his products by opening retail outlets in all over country. But a small manufacturer who produces small number of products chosen wholesaler and/or retailers to sell his products.

- (iv) **Financial Ability** : Financial ability directly affects the choice of distribution channel. A financially strong manufacturer can distribute products by its own sales force or opening retail outlets. But a financially weak manufacturer which cannot invest huge money and to use middlemen to sell its output.
4. **Middlemen's Considerations** : Middlemen's considerations are also influence the choice of distribution channels. These considerations are :
- (i) **Competition and legal constraints** : Generally, the manufacturers are bound to use the same channels of distribution which are being used by the competitors. In spite of these Government regulations also affects the choice of middlemen. For example, a pharmaceutical product can be sold by licensed middlemen (Chemist).
 - (ii) **Sales Potential** : The channel which offers maximum sales volume is preferred over the channel offering little business. In long run it is very difficult to access which channel will sell largest sales volume.
 - (iii) **Cost Consideration** : A manufacturer considers cost of selling through alternative channels. In normal cases cheapest channels will be opted. But it does not mean that a middlemen charging high cost would be excluded from consideration. A manufacturer may select even a high cost channel who provides many services to the customers like, after sales service, credit facility, demonstration, return of product, replacement of product in case of defective etc.
 - (iv) **Financial Ability** : In case of large selling, a manufacturer will generally select those middlemen who are financially sound and provide credit facility to the customers and pay their bills regularly and promptly to manufacturer.
5. **Consumer Considerations** : Consumer considerations are too important for choice of distribution channels. A very large number of people prefer to buy from retailers. In the customer-oriented market the selection of channels depends on time, place and manner in which he desires. These considerations are :
- (i) **Size of the average sale** : For small quantity and low priced items consumer makes very little effort to purchase like, matchbox, bread, soap, tooth paste etc., requires long intensive network of distribution channels for effective distribution of products and services.
 - (ii) **Consumer buying habits** : Consumer buying habits like, again and again purchase, desire for credit, after sale service, door to door service etc., affect the channel choice. For example, in case of after-sale service direct selling or shorter channel will be preferred.
 - (iii) **Concentration of Customers** : For concentrated and localized population, direct selling would be beneficial but for broad area market intensive network of distribution channels would be beneficial.
 - (iv) **Number of Consumer** : Usually, shorter channel is being used where small number of buyers but, for large order retail selling would be beneficial.

Q.4. Discuss the various types of fundamental middlemen.

Ans. Types of Fundamental Middlemen

Fundamental middlemen are of two following types :

1. **Mercantile Middlemen/Agent** : They are also called functional middlemen. They work on behalf of the owners. They perform general or specific functions related to

sale and purchase. Without having the ownership rights, these agents perform various marketing functions. It is of following types :

- (i) **Commission Agent** : He sells goods as an agent of the owner and performs various functions like storage, grading etc. The principal provides him with remuneration for his services as a percentage of the value of goods sold.
 - (ii) **Del Credere Agents** : He sells the goods on credit and bears the risk of bad debts if any. An additional commission called del credere commission is given to him in order to bear the risk of bad debts as a fixed percentage of amount of credit sales.
 - (iii) **Forwarding Agents** : A forwarding agent is a person, agency, or business involved in the collection, shipment, and delivery of goods for his commission.
 - (iv) **Brokers** : They bring together the buyers and sellers and negotiate terms and conditions of sale on behalf of buyer or seller. Whatsoever services he renders, he gets a fixed percentage of the transaction value as brokerage from buyer or seller.
 - (v) **Factors** : Factor is the one who keeps the goods of others and sells them after taking the permission of the owner is called as factor. After he sells the goods, buyer gives him the payment and he receives commission from his principal on the sales at a fixed percentage.
 - (vi) **Auctioneers** : They are the agents who sell the goods by auction. Date and time of auction are announced to the consumers and goods are displayed for them. Auctioneer invites the bids and goods are given to the highest bidder. Seller or the principal gives the commission to the auctioneer as a percentage on the sale price.
2. **Facilitating Agent** : An individual, who is not a part of an organization, but helps facilitate the product or service from the manufacturer to the customer is called as facilitating agent. Thus any organisation which provides services without actually being part of transaction of product is called as facilitating agency. Person who is part of such an agency is called as facilitating agent. Facilitating agents usually provide banking, insurance, transportation and warehousing service etc.

Retailer or wholesaler may also act as facilitating agents for some organisations. Thus wholesaler can provide warehousing services for some other organisation and reap benefits of warehouse. During movement of product from manufacturing unit till product reaches end consumer facilitating agents are used at almost every point of marketing channel.

Q.5. Discuss the various types of retailers.

Ans. **Types of Retailers**

Following are the major types of retailers :

1. **Itinerant Retailers** : The retailers who do not possess any shop of their own and who move from place to place to sell their products are called itinerant retailers. Itinerant retailers comprise of Hawkers, Peddlers, Cheap jacks, Market traders and Street traders. They are travelling or wandering sellers and include the following types :
 - (i) **Hawkers** : They move about in residential localities with their wares usually on bicycles or hand-carts. They usually deal in consumer goods of a cheap nature. Their range of merchandise varies from vegetables, fruits to toys, bangles, plastic utensils etc.
 - (ii) **One-price Shop** : It is a typical retail trading where the distinctive feature is the sale at uniform price of low-priced articles of large variety which are in continuous demand e.g., pens, toys, handkerchiefs, socks, etc.

- (iii) **Peddlers** : They carry their wares on their heads or on their back and move from one house to the other in the residential localities of a city. They also deal in cheap goods and usually cater to the needs of the low- income gentry.
 - (iv) **Cheap Jack** : They are the itinerant retailers who do not stay long at one place of business but differ from peddlers and hawkers in the sense that while the latter do not have shops of their own, cheap jacks do hire small shops in residential localities to display their wares. They shift from locality to locality according to the prospects of getting business.
 - (v) **Market traders** : They are a type of small-scale sole-proprietors who hold stalls at different places in different localities on fixed days known as "market days" which may be once a week. They deal in a variety of cheap goods which are of consumer's interests and which are needed in every household daily.
Toys, cheap cosmetics, cheap readymade garments for kids, imitation jewellery, sewing and knitting material, etc., are a few examples of the items which they usually stock. Market traders are temporary in nature, in the sense that they do not permanently establish their stalls in particular place, rather they move from one market place to another.
 - (vi) **Street Traders** : They are 'street retailers' who display and sell their products from pavements/ footpaths. They are usually seen in crowded cities and handle light goods.
2. **Fixed Retailers** : These are further classified into two categories :
- (i) **Small-scale Retailers** : Small scale retailers constitute of second-hand goods dealers, street stall-holders, General shops, Special shops and united stores.
 - (a) **Street Stall-holders** : Such retailers operate on a small-scale from small shops erected in busy market places. They buy goods in bulk from wholesalers and also from local sellers, and resell them to customers. Their field of operations is very small and limited. They are usually sole traders and deal in goods needed by customers in their day-to-day use.
 - (b) **Second-hand goods dealers** : They deal in used second-hand goods like books, garments (readymade), utensils etc. They get their supplies from private or public auctions and even from private households. Such retailers usually cater to the needs of poor people who cannot afford to buy new articles.
 - (c) **General shops** : Such retailers also known as General Merchants and deal in a variety of merchandise. They have established shops in the market place and stock goods ranging from food products to daily house needed articles. They are managed by owners and often employ counter-salesmen to assist them in their selling activities. They even sell on credit to established and old customers and also provide free-home delivery facility.
 - (d) **Specialty Shops** : They are retailers who deal only in one line of goods, e.g., books, drugs, shoes, etc. They operate from established shops by owners themselves, and since they deal in a particular line of product only, the retailers often possess sufficient specialized knowledge about the product.
 - (ii) **Large-scale retailers** : These constitute the departmental stores, mail-order houses, co-operative stores, multiple shops, chain stores, hire purchase shops, super markets and fixed- price shops.

Q.6. Discuss order processing as a component of physical distribution.

Ans.

Order Processing

Order Processing includes the activities of receiving the orders, recording, filling, assembling, invoicing, dispatching and post dispatch adjustments. Each customer expects that the order placed by him should be implemented by company without delay on one hand and that the goods dispatched match perfectly to his order specifications. It ensures the upright execution of orders. It is very much concerned with the time of the placement of an order by the consumers and arrival of goods to the final users which is also known as the 'order cycle'.

Complete order processing process can be shown by the help of following flow chart :

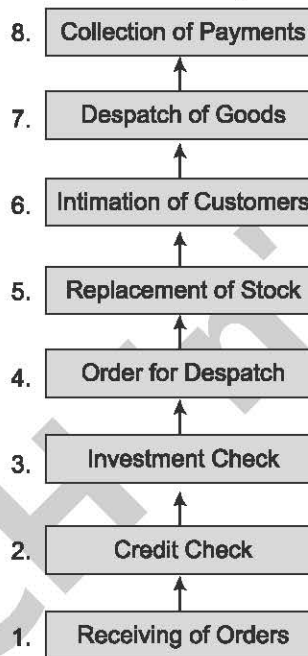


Fig. Order Processing Flow

The process or work-flow associated with the picking, packing and delivery of the packed items to a shipping carrier is called as order processing. Order processing is a key element of order fulfillment. It starts with the receipt of an order from a customer. It may be obtained by a salesperson, be telephoned in, or arrive by mail. Regular buyers and sellers are often linked electronically. As the buyer's inventories become low, an electronic purchase order is generated. It is communicated to the seller, whose computers will determine that the goods are available, and the seller will inform the buyer, still using electronic methods, that the order will be filled and shipped by a certain date. The first step in most order-processing systems is to verify the accuracy of the order *i.e.*, to make certain that the document contains no internal errors that might mean the customer was uncertain about what he or she was ordering. The next step is to verify the customer's credit or ability to pay.

After determining from which inventory point to ship the goods, instructions are sent to that warehouse to fill the order. At the warehouse an "order picking list" is given to a warehouse worker, who assembles the specific order. In the packing area, it is checked and packed for shipment, and the package is labeled. The traffic manager prepares the transportation

documents and notifies a carrier to pick up the shipment. An invoice for the goods is sent to the buyer, and various inventory and financial records are updated. The shipper uses the term "order cycle" to indicate the span of time between receiving and shipping the order.

Q.7. What is meant by warehousing? Discuss the need and significance of warehousing.

Ans.

Meaning of Warehousing

The place used for the storage or accumulation of goods is called as warehousing. It is an establishment that assumes responsibility for the safe custody of goods. In other words, Warehousing or storage refers to the holding and preservation of goods until they are dispatched to the consumers. Warehouses enable the businessmen to carry on production throughout the year and to sell their products, whenever there is adequate demand. Generally, there is a time gap between the production and consumption of products. By bridging this gap, storage creates time utility.

Need and Significance of Warehousing

Following points highlight the need and importance of warehousing :

1. **Regular Supply** : Manufacturers produce the goods in anticipation of demand; so the goods must be stored to make them available to the customers whenever needed.
2. **Effective Quality** : Warehousing is required to bring effectiveness in quality of goods. In fact some materials take time before they are ready for sale. Therefore, in such cases storing is necessary. In some cases, goods are stored to improve their quality and value with the passage of time. Rice, wine, tobacco, etc., are some of such examples.
3. **Availability of Raw Materials** : In order to enable the modern concern to produce on large scale basis, it is necessary to hold raw material stores to enable continuous large-scale production. In this respect also warehousing plays an important role.
4. **Stock of Trade** : Storage has to be done by the middlemen because consumers are not interested in storing goods (if they are easily available in the market) because of limited space and limited purchasing power.
5. **Ostensive Stabilization of Price** : By keeping the goods in warehouses the unnecessary supply of goods can be prevented which clearly check and stable the prices of goods. Therefore, warehousing is necessary to regulate the prices of the produces. This is mainly done by the government to keep the prices within certain limits.
6. **Natural Safety of Perishable Goods** : Warehousing facilitates the natural climate for the goods, especially to all such goods which are perishable. Such benefit saves the goods from deterioration in quality. Therefore perishable goods can be made available throughout the year storage is must.
7. **Seasonal Products** : Many of the products are produced seasonally while the demand for them has to be met throughout the year. For example, wheat is harvested during April and May, but it is required to be stored in warehouses to cope with the demands all through the year.

Q.8. Classify warehousing on the basis of place of necessity.

Ans. Types of Warehousing on the Basis of Place of Necessity

Under this category warehousing are categorized on the basis of place of necessity. There are three types of warehousing coming under this base like :

1. **In-plant Warehousing** : The warehouses which are situated within the territory of the plant are known as In-plant warehousing. Most manufacturers have their own warehouses though the size may be small. In many case it is impossible for the manufacturers to 'slug-load' all the production. (Slug load means moving the entire production to some kind of transport straight from the production line.) Simply stated, the entire production is not immediately sent to the market. In most cases the manufactured products have to wait for some time. Moreover, a large number of manufacturers find it convenient to distribute the products from plants directly to retailers or to customers. This reduces handling cost and improves the services. However, this method requires in-plant warehousing.
2. **Field Warehousing (Custodian warehousing)** : These type of warehouses are dispersed throughout a big geographical area. For example, warehouses of Procter and Gamble or Parle-products. These are centrally-located warehouses from where distribution is done to wholesalers and retailers. This is necessary where products from different plants are to be mixed together. In the case of fertilizers, for example, different chemicals are to be mixed in different proportion of suit varying needs. These are also known as mixing centers. In addition to the above, field warehouses offer the following advantages :
 - (i) **Storage of 'safety stocks'** : This storage of safety goods enables the organization to cope with the unexpected rise in demand. This is a type of strategic markets precaution against unanticipated increase in demand.
 - (ii) **Facilitates uninterrupted production** : To avoid stoppages in production and inconsistency in regulation of transport.
 - (iii) **Determining order cycle time** : The delivery of customers' orders within a minimum amount of time (Order Cycle Time, i.e., time from placing an order till the receipt of goods).
 - (iv) **Meeting seasonal emergency orders** : This type of warehouses enables the organization to meet the seasonal orders of emergency.
3. **Bonded Warehouses** : These type of warehouses are located near ports. They enable the unloading of commodities from a ship safely into a place until the owner of the goods takes delivery of them. Such warehouses are also necessary for outward transportation, since a manufacturer cannot wait until a ship reaches a port of loading. An important service rendered by them is the provision of indirect finance. The importer normally has to take over the goods after paying customs and other duties due to the shipping and port authorities. This need not be paid in lump-sum but the importer can get the goods released from such warehouses proportionately by paying these dues in installments. It is actually this function which made these warehouses to be known as bonded warehouses. The goods deposited with them are said to be "in bond".

Q.9. Discuss the types of warehousing on the basis of ownership.

Ans. Types of Warehousing on the Basis of Ownership

1. **Private Warehouses** : Warehouses which are owned privately by the firm or a manufacturer or a trader are called private warehouses. The manufacturer or trader or firm, who operates the warehouse exclusively for his own purposes, In-plant warehouses and field warehouses in most cases are private warehouses.

2. **Public Warehouses** : These are not owned by any trader, manufacturer or firm privately rather these warehouses are established under the ownership of the Government for the use of all against a stipulated consideration. The best known and the most widely accepted services are offered by public warehouses. Products can be stockpiled in appropriate physical condition and in strategic locations until the seller wishes to distribute them to customers. The users will, however, have to pay rental charges calculated on the basis of area occupied, period used, special nature of the commodity, etc. Because of this, these warehouses are also known as duty-paid warehouses. They are either owned by the Government or by private people under a license from the Government.

Following are some significant advantages of public warehouses :

- (i) **Open for All** : The services of public warehouses may be utilized by anyone who pays the required charges.
 - (ii) **Relaxation from Recurring and Non-recurring Expenditure** : It gives relaxation to the producer from meeting recurring and non-recurring expenditure on construction and maintaining a warehouse of his own. In other words, public warehouses offer quick delivery without cost of building a private facility.
 - (iii) **Relaxation from Capital Investment** : The producers can get the relaxation from the capital investment and can use the investments in new capital structure.
 - (iv) **Relaxation from Risks** : It reduces distribution risks and increases flexibility for entering new markets on account of convenient locations.
 - (v) **Financial Help** : The Public warehouses provide financial facilities to the traders and manufacturers by providing collateral securities for bank loans and also by granting loan facilities to manufacturers and traders.
3. **Cooperative Warehouses** : The ownership of these warehouses is vested in the hands of a few primary cooperative societies. Warehouses which are owned by the cooperative societies like: Amul, Lijjat for the purposes of keeping the products of their own. This type of warehousing provides all the benefits to its members because the members get privileges of getting the ownership as well as they don't have to invest individual money for the stabilization of the warehouses.

Q.10. What do you know about materials handling? Discuss the major objectives of materials handling.

Ans. Meaning of Material Handling

Materials handling is the science and art both, involving the moving, packing and storing of substance in any form, and includes the preparation, placing and positioning the material to facilitate their movement or storage.

The activities of materials handling starts after production in moving products, when it leaves the manufacturing plants, but before it is loaded on the transport mode to the consumer end. The material handling methods are broadly classified into three categories as manual, mechanical and automatic. The examples of various materials handling means are: belt conveyer, Industrial trucks, stackers, cranes, side loaders and other automatic machines.

The choice of the means of material handling depends on following factors :

1. The layout of warehouse.
2. The nature of product.
3. Resources
4. Cost of operations
5. Customer service etc.

International Material Management Society has defined the Materials Handling as "Materials handling is an art and science involving the movements, packaging and storing of sub-stances in any form".

Objectives of Materials Handling

The main objective of materials handling are :

1. **Helps in Reducing Cost** : Reduction in total cost of production can be achieved by either reducing materials handling or by improved handling procedure or both.
2. **Assists in Increasing in Capacity** : Improved materials handling system results in increase of capacity by better utilization of space, by improving equipment utilization, by faster loading or unloading etc.
3. **Improves Working Conditions** : Due to absence of manual handling, there are no chances of confusion resulting in placing of material at wrong location or disruption of production. By using proper handling equipment heavy jobs can be handled with ease, faster speed and at a constant rate throughout the period of production. This enables high morale and lower workers turnover.
4. **Improved Customer Service** : Customer's service will be improved by proper and improved materials handling system which will enable regular and timely market supply by avoiding disruption in production schedule. These are the main sources of good customer service.

Q.11. What is meant by transportation? Discuss the major functions of transportation.

Ans.

Meaning of Transportation

Transport (British English) or transportation (American English) is the movement of people and goods from one place to another. The term is derived from the Latin words trans ("across") and portare ("to carry"). Transportation provides the physical means of carrying goods and persons from one place to another. In other words, it is concerned with carrying the goods from the places of production to the places of their consumption. Transportation is indispensable function of marketing. It creates place utility and regularizes supply from one place to another. Transportation greatly facilitates the performance of marketing functions like buying, assembling, selling, storage and warehousing etc.

'Transporters' perform one of the most important activities, at every stage of advanced civilization. Where roads are considered as veins and arteries of a nation, passenger and goods transported are likened to blood in circulation. Passenger Road Transport Service (PRTS) is an essential connected to the economic development. Transport is the essential convenience with which people not just connect but progress. Throughout history, people's progress has been sustained on the convenience, speed and safety of the modes of transport. Road transport occupies a primary place in today's world as it provides a reach unparalleled by any other contemporary mode of transport. Some important functions of transportation are :

Functions of Transportation : Following are major functions of transportation :

1. **Growth of Industries whose Product requires Quick Marketing** : Transportation contributes in Growth of industries whose product requires quick marketing. Perishable articles like fish, milk and green vegetables are carried to various consumers quickly even in distant markets through transport.
2. **Helps in Increase in the Demand for Goods** : Transportation helps in increase in the demand for goods. Through transport newer customers in newer places can be easily contacted and products can be introduced to them. Today markets have become national or international only because of transport.

3. **Creates Place Utility** : Transportation creates place utility. Geographical and climatic factors force industries to be located in particular places far away from the markets and places where there may not be any demand for the products. Transport bridges the gap between production and consumption centers.
4. **Helps in Creating Time Utility** : Transport creates time utility. It helps the product to be distributed in the minimum possible time.
5. **Helps in Stabilization of Price** : Transportation helps in stabilization of price. It makes influence upon the stabilization of the prices of several commodities by moving commodities from surplus to deficit areas. This equalizes the supply and demand factor smooth and makes enable the price of commodities stable as well as equal.
6. **Boosts the Standard of Living** : Transportation enables the consumers to enjoy the benefits of goods not produced locally. This increases the standard of living, an essential factor for further development of marketing and economy.

Q.12. What do you mean by supply chain management? Also discuss the functions of supply chain management.

Ans. Meaning of Supply Chain Management

Supply chain management is the management of the flow of goods and services and includes all processes that transform raw materials into final products. It involves the active reformation of business supply-side activities to maximize customer value and gain a competitive advantage in the marketplace. SCM represents an effort by suppliers to develop and implement supply chains that are as efficient and economical as possible. SCM encompasses the integrated planning and execution of processes required to optimize the flow of materials, information and financial capital in the areas that broadly include demand planning, sourcing, production, inventory management and storage, transportation and return for excess or defective products.

Supply chain management produces benefits such as new efficiencies, higher profits, lower costs and increased collaboration. SCM enables companies to better manage demand, carry the right amount of inventory, deal with disruptions, keep costs to a minimum and meet customer demand in the most effective way possible. These SCM benefits are achieved through choosing effective strategies and appropriate software to manage the growing complexity of today's supply chains.

Importance of Supply Chain Management

It is well known that supply chain management is an integral part of most businesses and is essential to company success and customer satisfaction. Some importances of SCM are :

1. Helps in boosting customer services.
2. Assists in reducing operating costs.
3. Improves financial position.
4. Improves standard of living.
5. Job Creation etc.

Functions of Supply Chain Management

Main functions of Supply Chain Management are as follows :

1. **Aligning Flows** : As money, materials, and information are passed between customers and suppliers, supply chain management keeps them flowing up and down a supply chain.

2. **Integrating Functions** : Supply chain management connects the activities of logistics, purchasing, and operations to ensure that they focus on goals that benefit overall performance.
3. **Coordinating Processes** : Supply chain management increases profitability by aligning the processes used to plan, source, make, deliver, and (when necessary) return a company's products and services.
4. **Designing Complex Systems** : Simulation tools can predict how a supply chain will behave and show how small changes can cause major disruptions in the flow of materials.
5. **Managing Resources** : Supply chain managers are responsible for using people, processes, and technology to meet the needs of customers.

Q.13. Discuss the various advantages of retailing.

Ans. Advantages of Retailing

Retailing provides a necessary service and a positive contribution to the business enterprise. The importance of retailing is given below :

1. **Boosts Lifestyle of the People** : Retailing is an integral part of modern society. It shapes the way of life. In the past, trading of goods was a part of a traditional society. But in recent times, buying and selling of goods have become a brand dominated activity.
2. **Integral Part of the Supply Chain** : The role of retailers becomes crucial where consumers are large in number and are widely distributed. Retailers serve as a connecting link between the wholesalers and consumers. Due to its dominant position in the supply chain, the retail structure has gradually developed over the years. Now-a-days, retailing is characterized by large multiple chains rather than small scale independent retailers. The formalization and growing importance of retailing have made it powerful in the distribution channel.
3. **Contribution to the Growth of Economy** : The importance of the retail sector is reflected in its contribution to the growth of an economy. Its contribution is much more noticeable in the modern era than it was in the past. Retail has significant portion in the economy and its contribution to GDP is substantial. Retailing is the driving force of the economy. It aims at promoting its sustained growth.
4. **Considered as Shaping Consumer Demand** : Retailers are becoming increasingly important in their role as gatekeepers within the channel of distribution. In the past, suppliers were dominant. Retailers supplied the merchandise that was on offer and consumers selected from them. As retailers have become significantly powerful, they are able to influence suppliers and stock only the brands they wish to sell. So, consumers are able to buy only what is stocked and offered to them by the retailers. Retailers are thus considered as shaping consumer demand.
5. **Employment Generation** : In today's society, retailers are major employers. It is estimated in developed countries that the retail industry employs one in nine of the workforce. Retailers employ a significant proportion of the overall workforce. In the past, retail employees got lower pay and had long working hours. But now, the retail sector is becoming more organized with the better pay scale.
6. **A Subject Area** : Today, retailing is acknowledged as a subject and developed fully as an area of study. University research centers focus on retailing and professional

appointments in retailing have been made. Academic journals focusing on retailing, are being published worldwide.

Q.14. Elaborate the various types of retailing.

Ans. Types of Retailing

Following are the major types of retailing :

- 1. Warehouse Retailing :** It is a concept of selling of large quantities of goods at discounts deeper than those provided in conventional supermarkets or wholesalers. They offer very low prices and little or no customer service at all. The value provided to customers (that include ultimate consumers and small retail outlets) is in the form of discounts. Warehouse clubs can be considered as large stores that primarily retail grocery products but may also offer the following merchandise items: furniture, apparel, appliances, personal care products, health & wellness and digital & print media.
Such stores operate from huge, low-overhead warehouse facilities generally located in the outskirts of cities. They do not offer home-delivery and don't accept credit cards for purchases. What is unique about the warehouse clubs is that they offer customers a wide selection of goods (although often in bulk), at highly discounted prices but in exchange, each customer must pay an annual membership fee. Example: Sam's Clubs, Max Clubs in the US. Star Bazaar, Big Bazaar and Metro Cash and Carry are some of the warehouse retailers in India.
- 2. Speciality Stores :** Generally, these are small retail outlets that focus on selling a particular product range and associated items. Most specialty store business operators will maintain considerable depth in the type of product that they specialize in selling, usually at premium prices, in addition to providing higher service quality and expert guidance to shoppers. Specialty stores don't have to be single locations or local businesses. Even large retailers, if focused on specific products, may pursue a specialty store strategy. Some examples of specialty stores are medical supplies, home decor, electronics, floor coverings, crafts, toys, or video games, etc.
- 3. Department Stores :** A set-up which offers a wide range of products to the end-users under one roof, arranged by category into different sections of the physical retail space is called as department store. It is a retail establishment with a building open to the public which offers a wide range of consumer goods such as clothing, house commodities, furniture and appliances. It typically offers a choice of multiple merchandise lines, at variable price points, in different product categories. Some departmental store categories include shoes, clothing, beauty products, jewellery, house wares, etc. Examples of department store retailers include Big Bazar, Shoppers Stop, Lifestyle, Woodlands, Marks and Spencer etc.
- 4. Grocery Stores and Supermarkets :** A large self-service trade market that sells food and household goods is called as supermarket. It sells all types of food and beverage products, and sometimes also home products, clothing, and consumer electronics as well. The goods in the supermarket are arranged under the roof and they mostly contain all types of good such as food, drinks, clothes and utensils. The value proposition one stop shop catering to varied consumer needs. Example are Big Bazaar, Easy day, Safal, Reliance Fresh etc.

5. **Electronic Retailing (E-tailing)** : Electronic retailing is the sale of goods and services through the internet. Electronic retailing, or e-tailing, can include business-to-business (B2B) and business-to-consumer (B2C) sales of products and services, through subscriptions to website content, or through advertising. E-tailing requires businesses to adopt new business models to the rapidly changing face of the internet and its users. In other words, E-tailing sells from an Internet shopping website and ship the purchases directly to customers at their homes or workplaces and without all the expenses of a traditional retailer, usually sell merchandise for a lower-than- retail price.
6. **Convenience Retailer** : A convenience store is a small retail business located in crowded urban areas that stocks a range of everyday items such as groceries, snack foods, confectionery, soft drinks, tobacco products, etc. It is small and self-service formats shop with extended opening hours, stocking a limited range of household goods such as groceries, snack foods, confectionery, soft drinks, tobacco products, over-the-counter drugs, toiletries, newspapers, and magazines.
A convenience store may be part of a gas/petrol station, so customers can purchase goods conveniently while filling their vehicle with fuel. It may be located alongside a busy road, in an urban area, near a railway or railroad station, or at another transport hub. In some countries, convenience stores have long shopping hours, some remaining open 24 hours.
Convenience stores usually charge significantly higher prices than conventional grocery stores or supermarkets, as convenience stores order smaller quantities of inventory at higher per-unit prices from wholesalers. However, convenience stores make up for this loss by having longer open hours, serving more locations, and having shorter cashier lines.
7. **Discount Retailing** : A discount store is a retail store which sells products at prices that are lower than the typical market value. A 'full-line discount store' or 'mass merchandiser' may offer a wide assortment of goods with a focus on price rather than service and display. Discount store may specialize in specific merchandise such as jewellery, electronic equipment, or electrical appliances, relying on bulk purchase and efficient distribution to keep down cost. Discount stores are not variety stores, which sell goods at a single price-point or multiples thereof. Discount stores differ from variety stores in that they sell many name-brand products, and because of the wide price range of the items offered. Examples are Subhiksha, The Loot, etc.
8. **Mobile Retailing** : A retail shopping where merchandise is purchased using Smartphone, tablets or other mobile devices is termed as mobile retailing. Under this retailing retailer uses a Smartphone to process retail transactions and then ships the products that were purchased directly to the customer.
It is a low-margin business. Apart from this, obsolescence is extremely high which means that as soon as the new models come in, the older models lose their value in the market. So the cost of obsolescence is extremely high, it is much more than the fashion business actually.
In India, adoption of smartphones by the rising middle class will continue to be a significant growth driver. India's app economy is poised to soar as well. New apps are rapidly emerging, and downloads and usage are exploding across many categories, with Indian consumers already using games, social, lifestyle and media apps more heavily than before.

9. **Mail Order Houses** : The mail order business developed during the end of 19th and beginning of 20th century. Countries like the U.S.A. and Canada are considered to be the originators of this system. The main reason responsible for their development in the U.S.A. is that people started living at far away and remote places with very inadequate shopping facilities

Mail-order house is a company that sells or manages mail-order advertising or a mail-order business. It creates letters to send out to customers encouraging them to buy something via the mail. In other words, Mail order business is a type of retail trading where the business is carried on through post. The buyer does not meet the seller. The seller approaches the customers by advertising the goods through the press, sending circulars, price lists, samples and catalogues.

10. **Vending Machine** : It is an automated machine that provides items such as snacks, beverages, alcohol, cigarettes and lottery tickets to consumers after money or a credit card is inserted into the machine. The first modern vending machines were developed in England in the early 1880s that dispensed postcards. Vending machines exist in many countries, and in more recent times, specialized vending machines that provide less common products compared to traditional vending machine items have been created and provided to consumers.

Some examples of vending machines are change machine, cigarette vending machine, food and snack vending machines, bulk candy and gumball vending machines, newspaper vending machine, stamp vending machine, ticket machines, etc.

Q.15. What is meant by social marketing? Also discuss its objectives, advantages and types.

Ans.

Meaning of Social Marketing

The concept of Social Marketing surfaced in 1972; a more socially responsible, moral and ethical model of marketing, countering consumerism. Philip Kotler introduced the concept of social marketing and societal marketing.

The societal marketing concept evolved from older concepts of CSR and sustainable development and implemented by several companies to improve their public image through activities of the customer and social welfare.

Social marketing may be considered non-profit marketing. Social marketing concept concerned with the long-term health and happiness of consumers and well-being of society. Firms adopting the Societal Marketing concept make marketing decisions in an ethical and socially responsible manner.

The societal marketing concept puts human welfare on top before profits and satisfying the wants. Societal Marketing emphasizes on social responsibilities and suggests that to sustain long-term success, the company should develop a marketing strategy to provide value to the customers to maintain and improve both the customers and society's well being better than the competitors.

The societal marketing concept holds that a company should make good marketing decisions by considering consumer's wants, the company's requirements, and society's long-term interests. It also creates a favorable image for the company increases sales. It is not the same as the terms of social marketing and social media marketing. It is a term closely related to CSR and sustainable development.

According to Philip Kotler: "Social Marketing is the design, implementation and control of programmes seeking to increase the acceptability of a social idea, cause or practice among a target group."

Companies should balance three considerations in setting their marketing strategies: company profits, the consumer wants, and society's interests.

1. **Society (Human Welfare)** : Companies must make sure the products, services, actions, investment innovations serves society first.
2. **Consumers (Satisfaction)** : Products and services should be satisfying the consumer's needs.
3. **Company (Profits)** : Building long-term customer relationships, being socially responsible, and providing satisfactory products are important for profit-making and wealth maximization.

Objectives of Societal Marketing Concept :

1. Maintaining a long-term relationship with customers.
2. Creating a better image in the society for the company than its competitors.
3. To carry out its social responsibilities.
4. Developing community awareness towards its brands.
5. To carry out its social responsibilities.
6. Boosting the consumer base and market share.

Advantages of Societal Marketing Concept :

Following are the main advantages of societal marketing concept :

1. It helps to build a better image for the company.
2. It gives a competitive advantage over the competitors.
3. Useful in customer retention and long-term relationships.
4. Increases sales and market share.
5. Facilitate expansion and growth in the long term.
6. Products and company policies should prioritize social welfare and society in general.
7. Economic resources are properly used.
8. Societal marketing raises the living standard of people in society.
9. It ensures economic planning more significant and more fruitful to society.

Types of Social Marketing : There are various type social marketing may be classified as follows :

1. **Organisational** : Central Govt., Semi-Govt., non-government social organisations like, Indian Cancer Society, Sulabh Service Organisation, Charitable Trust etc.
2. **Place Based** : Convention Centers, Disaster Centers for Hill area etc.
3. **Idea Based** : It includes different social schemes like family planning, AIDS control, no smoking and ideas are marketed.
4. **Service Based** : It includes child education, Adult Education, Child-Care, Community Services etc.

Q.16. What do you know about online marketing or e-marketing? Also write the advantages and disadvantages of e-marketing.

Ans. Meaning of E-marketing

E-Marketing is a broad term utilized for a wide range of activities - advertising, customer communications, branding, etc., using the internet. More than the simple development of a website, the E-Marketing focuses on online communications, direct dialog with consumers

who participate in the creation of new products, finding efficient methods to win customer's loyalty and simplify their business-making process. Thus, E-marketing is the sum of activities through which a company makes with the purpose of finding, attracting, winning and retaining customers.

Kotler and Keller state that, "E-Marketing portrays company efforts to inform and communicate with buyers, and promote and sell its products and services over the Internet."

McDonald and Wilson opine, "E-Marketing refers to as web marketing or internet marketing use electronic communication technologies including the Internet, mobile phones and digital televisions to accomplish marketing objectives."

Advantages of E-marketing : Following points highlight the importance of e-marketing :

1. **Reach Customers in Distant Geographical Areas :** E-marketing is not based on geographic location and this means that we can complete a purchase transaction with the customer who lives in a country and a vendor in another country. So, we have overcome one of the most important difficulties in e-marketing which is the long distance difficulty.
2. **Lesser Cost :** When investors plan to present a product or a service, they worry about the cost of building the store, beside the expenses of the employees, etc. Through e-marketing; customers can find cheap products with high quality because it eliminates these types of expenses.
3. **Offer the Right Product to the Right Customer :** E-marketing will help us know the behaviour patterns of the customers and therefore we can offer a particular file of products and services for each group of customers. This means the increase in the purchase rate by offering the right products to the right buyer.
4. **The first Purchase means a Sustained Relationship in the Future :** When a buyer purchases the first product or service that we offer, it means that the buyer has started with us a special relationship; we can strengthen it through appropriate emails or messages.
5. **Use of Social Media :** This is one of the most important advantages of e-marketing. When a customer completes the process of buying a product from our site, he is probably happy to complete this process, this will lead him to publish your product on his own Facebook or Twitter and among many groups, pages and friends. This will be free advertising of our product or service.

Disadvantages of E-Marketing : E-Marketing is not without disadvantages, some of them are as follows :

1. **High Maintenance Cost :** With the fast-changing technological environment, you have to be consistently evolved with the pace of technology and the maintenance cost is very high.
2. **Worldwide Competition :** When you launch your product online, then you face a global competition because it's accessible from everywhere.
3. **Privacy & Security Issues :** Privacy and security issues are very high because your data is accessible to everyone; therefore, one has to be very cautious about what goes online.
4. **Higher Transparency & Price Competition :** When privacy and security issues are high, then you have to spend a lot to be transparent. Price competition also increases with higher transparency.

5. **Completely Depend on Technology** : E-Marketing is completely dependent on technology and the internet; a slight disconnection can jeopardize your whole business.

Q.17. What is green marketing? Also discuss the golden laws and advantages of green marketing.

Ans.

Meaning of Green Marketing

Green Marketing consists of all activities designed to generate and facilitate any exchanges intended to satisfy human needs and wants, with minimal detrimental impact on the natural environment.

As per **William J. Stanlon**, "Any marketing activity of an institution that is intended to create a positive impact or to lessen the negative impact of a product on the environment in order to capitalise on consumer's concerns about environmental issues. It encompasses everything from using recycled materials in making a product to claim on advertising or on package labels."

Golden Laws of Green Marketing : The important golden laws of green marketing are as follows :

1. **Customers should be Aware** : If a company needs to sell the products, it should make sure that the customers are better aware of the benefits of "green" products and their growing necessity. The customer should know the main reason behind the issue of the products that are eco-friendly.
2. **Reassure the Buyers** : Marketer should understand that they need to convince the customers by promoting the true quality and ethically show the performance of the product, because it would be very difficult to sell the products to customers only on the lines that they are eco-friendly.
3. **Transparency** : Marketers should be ethical in claiming their products as eco-friendly. They should be genuine and transparent about their claims. The business policies should also go with it.
4. **Consider Pricing** : It is possible that marketers charge a greater price for their "green" products because of their high cost of production and use of higher- quality ingredients. Many customers might not afford these high prices, so company needs to consider a reasonable price and target the appropriate audience effectively.
5. **Customer Participation** : The marketer should involve the customers in the initiative of green marketing. Once the customer is a part of this cause, he or she will understand the concept better and the issues of pricing etc., can be resolved.

Advantages of Green Marketing : Some advantages of green marketing are given as below :

1. **Attracts the Consumer** : Green marketing examples of different products attracts the consumers regarding environment protection. People are so much conscious about their environment and variations in behaviour. Green marketing is considered as growing marketing that helps to design socially and sustainable products.
2. **Innovation** : Green marketing helps to design such kinds of products that are economically affordable and satisfy the human needs efficiently. It produces innovative green products that consume less resource.

3. **Sustainability** : Going green is about sustainability; this sustainability translates to sustainable profits in green sectors with secure futures. The future- safe markets include biomaterials, green buildings, personal transportation, smart grids, mobile applications and water filtration.
4. **Efficient Use of Resources** : Today, human demands and needs are unlimited but resources are short enough that cannot fulfill the human needs. Markets need to facilitate the consumers by utilizing resources efficiently.
5. **Planned Techniques** : It needs to develop well planned techniques and innovative policies to achieve the organizational goals effectively without any wastage of time and other resources. Green marketing examples of different products and services develops a growing interest among customers throughout the world.
6. **Environmental Advantages** : Going green is an environmentally responsible choice. As businesses use more natural resources than individual consumers, recycling business materials and conserving water contribute to conservation on a larger scale.
7. **Economic Advantages** : The reduction in waste equals lower operating costs and more savings. Eco-friendly business equipment and practices such as- low-wattage or LED lights, use of natural lighting, water conservation policies, mandatory recycling and hybrid company vehicles save money on utilities, fuel and office supplies. This generates instant cash flow. Further going green puts a business in a positive light in the eyes of customers, potential investors, distributors, activists, watchdog groups, communities and prospective employees.

Q.18. What is meant by rural marketing? Also discuss the advantages of rural marketing.

Ans.

Meaning of Rural Marketing

Rural marketing is a process which starts with a decision to produce a saleable farm commodity and it involves all the aspects of market structure or system, both functional and institutional, based on technical and economic considerations and includes pre and post harvest operations, assembly, grading, storage, transportation and distribution.

Or we can say that, rural marketing is a process of developing, pricing, promoting, and distributing rural specific goods and services, leading to desired exchange with rural customers to satisfy their needs and wants, and also to achieve organizational objectives.

Rural marketing is now a two-way marketing process. There is an inflow of products into rural markets for production or consumption and there is also outflow of products to urban areas. The urban to rural flow consists of agricultural inputs, fast-moving consumer goods (FMCG) such as soaps, detergents, cosmetics, textiles, and so on. The rural to urban flow consists of agricultural produce such as rice, wheat, sugar, and cotton. There is also a movement of rural products within rural areas for consumption.

'Rural marketing' is similar to 'marketing.' Rural marketing differs only in terms of buyers. Here, the target market consists of customers living in rural areas. Thus, rural marketing is an application of marketing fundamentals (concepts, principles, processes, theories, etc.) to rural markets.

Advantages of Rural Marketing : Following are the main advantages of rural marketing :

1. **Price Stability :** Marketing results into better transportation, warehouses, and communication facilities. Agricultural products can be systematically marketed throughout the year. Huge gap between demand and supply can be avoided and, as a result, prices of most of the commodities remain more or less stable.
2. **Acts as a Catalyst Agent for Economic Growth :** Naturally, marketing acts as a catalyst agent for economic growth. There exist more attractive business opportunities in rural than urban. Rural market is more potential for consumer durables and services.
Rural population largely depends on agriculture and it can contribute nearly 50% to total national income. Agriculture enjoys a significant portion in the export business, too. Rural marketing improves the agricultural sector and improved agricultural sector can boost the whole economy of the country.
3. **Helps in Generating Employment :** Today, nearly 70% of the total Indian population feeds on agricultural activities in rural areas. Rural marketing can generate more attractive employment opportunities for rural and urban people. Growth of rural marketing leads to increased business operations, professional activities, and services that can generate a lot of employment opportunities.
4. **Helps in Improving Living Standard :** Due to the rural marketing system, rural buyers can easily access standard goods and services at fair prices. In the same way, rural marketing improves rural infrastructure. Additionally, rural marketing can also improve their income. These all aspects can directly improve living standard.
5. **Development of Agro-based Industries :** Rural marketing leads to set up agro-based processing industries. Fruits, vegetables, cereals, pulses, etc., are used as raw-materials. Such industries can improve farmers' profit margin and employment opportunities.
6. **Optimum Utilization of Rural Untapped Resources :** There are unlimited businesses opportunities exist in rural areas. Untapped and underutilized resources can be utilized at the optimum level and that can further accelerate overall economic growth.
7. **Easy Marketability of Agricultural Produces :** Growth of rural marketing improves the whole marketing system. Multiple options are available to farmers and local producers to market their products. Big domestic corporate houses and multinational companies prefer to buy agricultural products directly from villages by their own or through agents and small firms. Rural producers can sell their produces easily at satisfactory prices. Their improved income level can improve their purchasing power that can further fuel to industrial demand.
8. **Helps in Improving Rural Infrastructures :** Rural marketing and basic infrastructures go hand to hand. Growth of rural marketing leads to improved transportation, insurance, banking, communication, entertainment, and other facilities. Due to the availability of basic infrastructural facilities, business units can easily reach the target rural buyers.

Q.19. What do you know about relationship marketing? Also discuss the advantages of relationship marketing.

Ans. Meaning of Relationship Marketing

Relationship marketing is a facet of customer relationship management (CRM) that focuses on customer loyalty and long-term customer engagement rather than shorter-term goals like customer acquisition and individual sales. The goal of relationship marketing (or customer relationship marketing) is to create strong, even emotional customer connections to a brand that can lead to ongoing business, free word-of-mouth promotion and information from customers that can generate leads.

Relationship marketing stands in contrast to the more traditional transactional marketing approach, which focuses on increasing the number of individual sales. In the transactional model, the return on customer acquisition cost may be insufficient. A customer may be convinced to select that brand one time, but without a strong relationship marketing strategy, the customer may not come back to that brand in the future.

While organizations combine elements of both relationship and transactional marketing, customer relationship marketing is starting to play a more important role for many companies.

Acquiring new customers can be challenging and costly. Relationship marketing helps retain customers over the long term, which results in customer loyalty rather than customers purchasing once or infrequently.

Relationship marketing is important for its ability to stay in close contact with customers. By understanding how customers use a brand's products and services and observing additional unmet needs, brands can create new features and offerings to meet those needs, further strengthening the relationship.

Advantages of relationship Marketing : The advantages of relationship marketing include the following :

- 1. Higher Customer Lifetime Value (CLV) :** Relationship marketing creates loyal customers, which leads to repeat purchases and a higher CLV. In addition, loyal customers are likely to become brand advocates or ambassadors, recommending products and services to friends, family and business associates.
- 2. Reduction in Marketing and Advertising Spending :** Spending on marketing and advertising to acquire new customers can be expensive. Relationship marketing causes customers to do the marketing for a brand in what's called buzz marketing. Customers tell others about a brand's products and services, which can drive sales. Brands with exceptional relationship marketing programs spend little to no money on marketing or advertising.
- 3. Stronger Organizational alignment around the Customer :** Organizations that emphasize relationship marketing have a stronger organizational alignment around an exceptional customer experience. The teams work together to create satisfied and happy customers over the long term.

MULTIPLE CHOICE QUESTIONS

Q.1. Which of these are not an element of promotion?

- (a) Sales Promotion (b) Personal Selling
(c) Advertising (d) Public Networking

Ans. (d) Public Networking

Q.2. Which of the following is a correct feature of personal selling?

- (a) One to one contact (b) Indirect communication
(c) Planning (d) Quick Sales

Ans. (a) One to one contact

Q.3. What is Green Market?

- (a) Marketing of Green coloured products
(b) Marketing of ideas that are environment friendly
(c) Marketing of environment friendly products and services
(d) Marketing of products approved by the Green Bench

Ans. (c) Marketing of environment friendly products and services

Q.4. "Consumerism actually should be, must be and I hope will be the opportunity of Marketing. This is what we in Marketing have been waiting for". Who said this?

- (a) Peter Drucker (b) Kotler
(c) C. Thomsen (d) American Marketing Association

Ans. (a) Peter Drucker

Q.5. Which of the following is a correct example of urban to rural marketing?

- (a) Selling of pesticides, consumer durables, FMCG products etc.
(b) Selling of fruits, vegetables, Grains etc.
(c) Selling of cattle, carts etc.
(d) Exporting of agricultural commodities

Ans. (a) Selling of pesticides, consumer durables, FMCG products etc.

Q.6. Which of the following statements are false?

- (a) Services are perishable in nature
(b) McDonalds fast food chain is an example of service marketing
(c) In-service marketing, ownership transfer takes place once the sale contract takes place
(d) Services are produced and consumed at the same time

Ans. (c) In-service marketing, ownership transfer takes place once the sale contract takes place

Q.7. A type of marketing that is an approach used to develop activities aimed at changing or maintaining people's behavior for the benefit of individuals and society as a whole is called :

- (a) sustainable marketing (b) social marketing
(c) consumerism (d) rural marketing

Ans. (b) social marketing

Q.8. Which of the following is not a part of online marketing?

- (a) e-commerce activities
- (b) One to one contact
- (c) Full functional website
- (d) Registration with any online business directory

Ans. (b) One to one contact

Q.9. The word Retail is derived from the word.

- (a) Latin
- (b) French
- (c) English
- (d) German

Ans. (a) Latin

Q.10. Retailer is a person who sells the goods in a :

- (a) large quantities
- (b) small quantities
- (c) Both (a) and (b)
- (d) None of these

Ans. (b) small quantities

Q.11. The main objective of the management is :

- (a) profitability
- (b) sales growth
- (c) return on investment
- (d) All of these

Ans. (d) All of these

Q.12. In retailing there is a direct interaction with :

- (a) producer
- (b) customer
- (c) wholesaler
- (d) All of these

Ans. (d) All of these

Q.13. Retailing creates :

- (a) time utility
- (b) place utility
- (c) ownership utility
- (d) All of these

Ans. (d) All of these

Q.14. activities performed by the retailers.

- (a) Assortment of offerings
- (b) Holding stock
- (c) Extending services
- (d) All of these

Ans. (d) All of these

Q.15. The term stakeholders which includes :

- (a) stock holders
- (b) consumers
- (c) suppliers
- (d) All the above

Ans. (d) All the above

Q.16. represents how a retailer is perceived by consumers and others.

- (a) Image
- (b) Sales
- (c) Profit
- (d) None of these

Ans. (a) Image

Q.17. The important channel(s) of marketing is/are :

- (a) face-to-face marketing
- (b) direct mail marketing
- (c) catalogue marketing
- (d) All of these

Ans. (d) All of these

Q.18. The place used for the storage or accumulation of goods is called as :

- (a) retailing (b) godowning
(c) warehousing (d) None of these

Ans. (c) warehousing

Q.19. The warehouses which are situated within the territory of the plant are known as :

- (a) field warehousing (b) bonded warehousing
(c) in-plant warehousing (d) None of these

Ans. (c) in-plant warehousing

Q.20. The term 'transport' is derived from the words 'trans' and 'portare'.

- (a) French (b) English
(c) Latin (d) Hindi

Ans. (c) Latin

Q.21. The first modern vending machines were developed in England in the early :

- (a) 1680s (b) 1780s (c) 1880s (d) 1980s

Ans. (c) 1880s

Q.22. Who said that "E-marketing portrays company efforts to inform and communicate with buyers and promote and sell its products and services over the internet".

- (a) McDonald (b) Wilson
(c) Kotler (d) Kotler and Keller

Ans. (d) Kotler and Keller

Q.23. The retailers who do not possess any shop of their own and who move from place to place to sell their products are called :

- (a) itinerant retailers (b) fixed retailers
(c) Both (a) and (b) (d) None of these

Ans. (a) itinerant retailers

TOUCH 'n' PASS

- यद्यपि इस पुस्तक को यथासम्भव शुद्ध एवं त्रुटिरहित प्रस्तुत करने का भरसक प्रयास किया गया है, तथापि इसमें कोई कमी अथवा त्रुटि अनिच्छाकृत ढंग से रह गई हो तो उससे कारित क्षति अथवा सन्ताप के लिए लेखक, प्रकाशक तथा मुद्रक का कोई दायित्व नहीं होगा। सभी विवादित मामलों का न्यायक्षेत्र मेरठ न्यायालय के अधीन होगा।
- इस पुस्तक में समाहित सम्पूर्ण पाठ्य-सामग्री (रेखा व छायाचित्रों सहित) के सर्वाधिकार प्रकाशक के अधीन हैं। अतः कोई भी व्यक्ति इस पुस्तक का नाम, टाइटिल-डिजाइन तथा पाठ्य-सामग्री आदि को आंशिक या पूर्ण रूप से तोड़-मरोड़कर प्रकाशित करने का प्रयास न करें, अन्यथा कानूनी तौर पर हर्जे-खर्चे व हानि के जिम्मेदार होंगे।
- इस पुस्तक में रह गई तथ्यात्मक त्रुटियों तथा अन्य किसी भी कमी के लिए विद्वत् पाठकगण से भूल-सुधार/सुझाव एवं टिप्पणियाँ सादर आमन्त्रित हैं। प्राप्त सुझावों अथवा त्रुटियों का समायोजन आगामी संस्करण में कर दिया जाएगा। किसी भी प्रकार के भूल-सुधार/सुझाव आप info@vidyauniversitypress.com पर भी ई-मेल कर सकते हैं।