

MARKETING

QUESTION BANK:

Que.1 What are the objectives of marketing?

Ans. The objectives of marketing are as follow:

- Creation of demand in the market.
- Securing market share.
- Building goodwill of firm and its products.
- Profitable sales volume through customer satisfaction.
- Increasing standard of living of the people.

Que.2 Why is marketing an important function of business?

Ans. Role of Marketing

Marketing is of vital importance to any business. The production of goods has no meaning unless a firm is able to sell them to customers. The goods have to be transferred from the place of production to the place of consumption. The availability of products at certain places must be made known to customers. It is through marketing that a manufacturer is able to satisfy the needs and wants of people in an economy.

Marketing helps in the creation of place, time and possession utilities for the benefit of customers. Place utility is created by transporting the goods from production centers to places where they are needed for consumption or use. Time utility is created by storing the goods in warehouses until there is demand from customers. Possession or ownership utility is created through sale and transfer of documents of title to goods.

Que.3 State two functions of exchange with reference to marketing.

Ans. Function of Exchange

1. Buying and Assembling

Procurement of raw materials, semi-finished or finished products has gained great importance for the modern industrial and commercial enterprises. Raw materials are purchased for production by the industrial enterprises and finished goods are purchased for resale by the commercial enterprises. Whatever may be the case, the marketing department plays an important role. Buying is different from assembling. Purchasing involves determination of requirements, finding the sources of supply, placing the order and receiving the goods. But assembling means collection of goods already purchased from different sources at a common point.

2. Selling

This is an important function of marketing under which ownership of goods is transferred from the seller to the buyer. Sales may take the form of negotiated sale and auction sale. In case of a negotiated sale, the terms and conditions between the buyer and seller are arrived at by bargaining or haggling. But in case of an auction sale, there is no scope of negotiation between the seller and buyer. The buyers assemble at the place of auction and bid against one another for the goods on sale. The goods are sold to the highest bidder.

Que.4 Explain physical functions of marketing?

Ans. Physical Marketing Functions: The functions of physical treatment are as follows:

- 1. Standardization, Grading and Branding.** Standardization means setting up of

specializations of a product. Grades of agricultural products are based on these specifications and standards. Industrial goods are given brand names by their manufacturers to convey to the customers that their goods conform to certain well defined standards. The process of branding has attained great importance in the present-day marketing.

- 2. Packaging.** Packaging is traditionally done to protect the goods from damage in transit and to facilitate easy transfer of goods to customers. But now it is also used by the manufacturer to establish his brand image as distinct from those of his rivals. Packaging facilitates the sale of a product. It acts as a silent salesman of the manufacturer particularly at a place where there is widespread use of self-service, automatic vending and other self-selection methods of retail selling.
- 3. Storage.** Goods are generally produced in anticipation of the demand. They have to be stored properly in warehouses to protect them from any damage which may be caused by ants, rats, moisture, sun, theft, etc.
- 4. Transportation.** Modern organizations produce on a large scale to cater to the requirements of customers scattered throughout the country. This calls for transportation of goods from the place of production to the place of consumption. Transportation provides the physical means which facilitate the movement of persons, goods and services from one place to another.

Que.5 Why is buying an important function of marketing?

Ans. Buying of raw materials, semi-finished or finished products has great importance for the modern industrial and commercial enterprises. Raw materials are purchased for production by the industrial enterprises and finished goods are purchased for resale by the commercial enterprises. Whatever may be the case, the marketing department plays an important role. It is the marketing department which will supply the information regarding the needs and tastes of the customers. Coordination between the purchasing officials will help in purchasing right types of materials or goods at the right time and in right quantity.

Que.6 How can marketing build up the reputation or goodwill of a firm in the market?

Ans. The marketing management's first objective is to create demand. A conscious attempt is made to find out the preferences and tastes of the customers. Demand is also created by informing the customers the utility of various goods and services.

Modern marketing is customer-oriented. It begins and ends with the customer. Marketing tries to realise long-term goals of profitability, growth and stability through satisfying customer's wants. All the basic activities of a business like production, finance, marketing etc. are co-ordinated to meet the customer's needs. This will increase the goodwill of the firm in the market. Goodwill is also increased as the firm earns higher profits through greater sales turnover because of customer satisfaction.

Que.7 Mention the packaging function of marketing.

Ans. Packaging: Packing means a case, container, wrapper or other receptacle for packing the goods. Packaging is concerned with designing and producing of appropriate packages for a product. Packing means wrapping, compressing, filling or crating of goods for the purpose of protection of goods and their convenient handling.

What is meant by branding?

Ans. Branding: It is the process of stamping a product with some identifying name or mark or a combination of both. In other words, branding means giving distinct individuality to a product. A brand name consists of words, letters and/or number which may be vocalized. A

brand mark is that part of the brand which appears in the form of a symbol, design or distinctive coloring or lettering. It is recognized by sight.

Que.8 How is a Trade mark different from a Brand?

Ans. Trade mark is a legal term which refers to a product mark which is registered under the Trade Mark Act, 1999. For example, ship mark on match boxes is a registered trade mark.

A brand is a mark made on products to indicate their identity. It may consist of words, letters and/or numbers which may be vocalized. A brand mark is that part of the brand which appears in the form of a symbol, design or distinctive coloring or lettering. It may or may not be registered. If a company gets its brand name registered, it will become a trade mark.

Que.9 Expand the terms – “ISI’ and ‘Agmark’

Ans. ISI – Indian Standard Institution Agmark – Approved Graded Mark

Que.10 State any two differences between packing and packaging.

Ans. Differences between Packing and Packaging

1. Packing is the process of covering or wrapping the goods so as to create a package. But packaging includes activities concerned with designing and producing the wrapper or container for a product.
2. Packing is done for the purpose of delivery of the product to the customer so as to facilitate convenient handling. But packaging is done to add value to the product and to attract the customers.

Que.11 What is consumer oriented concept of marketing? State its main features.

Ans. Marketing Concept:

The consumer-oriented marketing has given rise to a new philosophy in business known as ‘marketing concept’. The marketing concept emphasizes the determination of the requirements of potential customers and supplying products to satisfy their requirements. The marketing concept considers marketing as an integrated process of identification, assessment and satisfaction of human wants. It regards creation of customer and satisfaction of his wants as the justification of business.

Determination of wants of the customers takes precedence over production and other business activities. In other words, production is carried on according to the needs of the customers. Thus, the emphasis in modern business is on selling satisfaction and not merely on selling goods.

The components of marketing concept are as under:

- (i) Identification of wants or needs of customers.
- (ii) Market focus
- (iii) Maximization of consumer satisfaction and delight
- (iv) Creation and maintenance of consumer demands

The features of modern marketing concept are as follows:

- **Key Area.** Marketing is considered as one of the most powerful functional areas of modern business. Other functions such as production, procurement and financing revolve around marketing.
- **Customer Orientation.** It emphasizes the necessity of consumer-orientation of the entire business. Marketing starts with the determination of customer’s wants are completely satisfied and they are delighted with the goods and services.
- **Integrated Approach.** It suggests that marketing is a dynamic business process- a total integrated process rather than a fragmented assortment of functions.

- **Long-term Prospective.** Marketing concept seeks development of the business and profits over a long period of time.
- **Profitable Sales Volume.** Marketing is considered successful only when it is capable of maximizing profitable sales through customer satisfaction over a long-run.

Que.12 Define marketing? Explain the facilitating functions of marketing.

Ans. Definition of Marketing: Marketing is a consumer-oriented activity. It analyses the need of the customers before the products are produced and offered to them. According to J.F. Pyle “Marketing is that phase of business activity through which human wants are satisfied by the exchange of goods and services.” This definition takes into consideration the satisfaction of human wants. It emphasizes the determination and the satisfaction of the requirements of potential customers which take precedence over production. In the words of Cundiff and Still “Marketing is a process by which products are matched with markets and through which the consumer is able to use or enjoy the product. It makes goods and services more useful to the society by creating place, time and possession utilities.

Facilitating Functions of Marketing

The following functions facilitate exchange of goods and services:

- 1. Personal Selling or Salesmanship.** Personal selling is an important method of selling goods. It is widely used in retail marketing. Salesmanship or personal selling involves direct and personal contact of the seller or his representative with the purchaser. It is the oldest known form of selling and is the most important and recognized method of selling.
- 2. Advertising.** Advertising helps to spread message about the product and thus promote its sale. It facilitates creation of non-personal link between the advertiser and the receivers of the message. The significance of advertising has increased in the modern era of large scale production and tough competition. Business firms use several media of advertisement to sell their products. These include newspapers, magazines, radio, television, cinema halls, hoardings, window display etc.
- 3. Pricing.** Determination of price of a product is an important function of a marketing manager. Price of a product is influenced by the cost of product and services offered, profit margin desired, prices fixed by rival firms and Government policy.
- 4. Financing.** Financing of customers purchasing has become an integral part of modern marketing. The provisions of the customers on credit basis are an important device to increase the volume of sales. A manufacturer has also to provide credit facilities to wholesalers and retailers. As a matter of fact, credit is the lubricant that facilitates the operation of marketing machinery.
- 5. Risk-taking and Insurance.** Marketing involves a number of risks owing to unforeseen circumstances. There may be deterioration of goods in warehouses. There may be loss of goods due to fire, flood, earthquake, cyclone etc. Goods may be lost due to certain man-made factors such as theft, dishonesty, negligence, etc. It is insurance which helps to cover the risks in the exchange of goods and services. Insurance facilitates the smooth exchange of goods by covering risks in storage and transportation. Business concerns can cover the risks on the payment of a nominal premium to the insurance company and recover the loss, if any.

Que.13 Distinguish between marketing and selling.

Ans. Difference between Marketing and Selling is as follow:

Basis	Marketing	Selling
-------	-----------	---------

1. Focus	Marketing focuses on customer's needs of want-satisfying goods.	Selling focus on seller's need i.e. converting his goods into cash.
2. Sequence	Marketing begins before actual production takes place.	Selling takes place after production.
3. Emphasis	Emphasis is given on product planning and development to match products with customer's need.	Emphasis is placed on sale of goods already produced.
4. Predominance	Customer is treated as a king. He is given supreme importance.	Product is given priority or supreme importance.
5. Aim	Marketing aims at profits through customer satisfaction.	Selling aims at profits through sales volume.

Que.14 What is meant by advertising?

Ans. Meaning of Advertising:

Advertising is any paid form of non-personal presentation and promotion of ideas, goods or services of an identified sponsor. The message which is presented or disseminated is known as 'advertisement'. All activities necessary to prepare the message and get it to the intended people are part of advertisement.

Advertisement is used for communicating some business information to the present and prospective customers. Advertisement usually provide information about the advertising firm, its product, product qualities, place of availability of its product, etc. An advertisement provides information to the prospective buyers and helps the producers inform the prospective buyers about their products.

Que.15 Mention any three characteristics of advertising.

Ans. Characteristics of Advertisement: The important features of advertising are discussed below:

1. It is non-personal form of presentation and promotion of ideas, goods and services. There is no face-to-face direct contact with the customers. It is also described as non-personal salesmanship. It is complementary to personal selling because it simplifies the task of sales-force by creating awareness about the product in the minds of potential customers.
2. It is a paid form of communication. The advertisements are communicated through various advertising media and the advertiser has to pay the space or time hired by him to communicate the message to the present and prospective customers.
3. It is done by a sponsor, usually a producer, dealer or trader, who is identified in the advertisement.

Que.16 What are the objectives of advertising.

Ans. Objectives of Advertising: Businessmen resort to advertising to achieve the following objectives:

1. To introduce a new product by creating interest for it among the prospective customers.
2. To support personal selling programme. Advertising may be used to open customer's doors for salesmen.
3. To reach people inaccessible to salesmen.
4. To enter a new market or attract a new group of customers.
5. To fight competition in the market and to increase the sales.

Que.17 Mention the advantages of advertising to customers and society.

Ans. Advantages of Advertising to Customers and Society

1. **Easy Shopping.** Advertising facilitates shopping by educating consumers to select correct brands of commodities.
2. **Educate Consumers.** Advertising educates the consumers about the new products and their uses. In this process, it introduces new ways of life to the people and prompts them to give up their old habits and inertia. Advertising thus paves the way for better standard of living.
3. **Elimination of unnecessary Intermediaries.** By advertising the goods, a manufacturer may seek to establish direct contacts with the customers. In this process, the number of middlemen whose profits increase the price and reduce the manufacturer's margin of profits may be considerably reduced. This will mean large profits for the manufacturer and cheaper products for the customers.
4. **Good Quality.** Advertising ensures good quality of products. It encourages manufacturers to produce better quality products which boosts the confidence of the consumers and ensures them availability of good quality products.
5. **Standard of Living.** Advertisement promotes the standard of living of the people by increasing the variety and quality in consumption as a result of sustained research and development activities by the manufacturers.

Que.18 What is Sales Promotion?

Ans. Definition of Sales Promotion:

According to American Marketing Association, "sales promotion includes those marketing activities other than personal selling, advertising and publicity that stimulate consumer purchasing and dealer effectiveness, such as displays, shows, exhibitions, and demonstrations."

Sales promotion includes activities of non-routine nature to promote sales, e.g. distribution of samples, discount coupons, contests, display of goods, fairs and exhibitions, etc. But it does not include advertisement, publicity and personal selling.

Que.19 Mention techniques of Sales Promotion.

Ans. Techniques of Sales Promotion:

1. **Distribution of Samples.** Many businessmen offer samples of their products to the selected people in order to popularize their products. Distribution of samples is popular in the case of books, drugs, cosmetics, perfumes and other similar products. As the distribution of samples is very costly, this system is confined to those products of small value.

2. **Premium or Bonus offer.** It means providing gift articles or premium to customers. Premium are generally given in the case of customer convenience goods such as packed tea leaves, shaving blades, toothpastes and toilet soaps.
3. **Price-off offer.** This tool involves offering a product at a price lower than the normal price, e.g., off season discount may be offered on ceiling fans, coolers and refrigerators.

Que.20 “Advertising is a necessary evil.” Explain this statement highlighting five merits and five limitations of advertising.

Or

“Advertising is a social waste.” Comment.

Ans. Advertising is a necessary activity because it helps in:

- Increasing sales.
- Large scale production.
- Reducing in cost of production.
- Informing consumers about the new products.
- Creating good image of the enterprise.

Advertisement may be considered a social waste if

- Increases the price to be paid by the customers
- Involves wastage of national resources.
- Increases undesirable wants of customers
- Promotes sales of inferior products
- It is socially undesirable.

Thus, it can be said advertising is a necessary evil.

Merits of Advertising

The advantages of advertising are as follow:

1. **Promotion of Sales.** Advertising promotes the sale of goods and services by informing and persuading the people to buy them. A good advertising campaign helps in winning customers and generating revenues.
2. **Introduction of New Products.** Advertising helps in the introduction of new products in the market. A business enterprise can introduce itself and its products to the public through advertising. Advertising enables quick publicity in the market.
3. **Support to Production System.** Advertising facilitates large-scale production. The business firm knows that it will be able to sell on a large scale with the help of advertising. Mass production will reduce the per unit cost of production by making possible the economical use of various factors of production.
4. **Increasing Standard of Living.** Advertising educates the people about the products and their uses. It is advertising which has helped people in adopting new ways of life and giving up old habits. It has contributed a lot towards the betterment of the standard of living of the society.
5. **Public Image.** Advertising builds up the reputation of advertiser. Advertising enables a business firm to communicate its achievements and its efforts to satisfy the customers’ needs to the public. This increases the goodwill and reputation of the firm.
6. **Support to Media.** Advertising sustains press. It provides an important source of revenue to the publishers of newspapers and magazines and the producers of TV. Programs.

Limitations/Demerits of Advertising

Advertising has been severely criticized as being a social waste. Some of the arguments given against advertising are discussed below:

- 1. Increased Price.** Advertising is expected to reduce total costs by mass production and direct sale to consumers thus leading to lower prices. On the contrary, the high advertising expenditure adds to the prices of advertised products.
- 2. Wastage of Resources.** Advertising is basically wasteful. Its appeal is uncertain. People generally do not pay attention to advertisements.
- 3. Multiplication of Needs.** It is also argued that advertising by continuously repeating a message includes people to buy things which they really do not need. Thus, it creates new desires and needs.
- 4. Monopoly Power.** Big manufacturers who can afford huge expenditure on advertising use it to create a 'brand image' of their product. This creates monopolistic position and eliminates small firms.
- 5. Fraud on Consumers.** Sometimes, advertising is fraudulent, misleading and deceptive. It causes consumers to buy unwanted goods at higher prices and on unreasonable terms.
- 6. Socially Undesirable.** At times, advertising undermines ethical, aesthetic and social values. Some advertisers use indecent language and obscene photographs to attract people's attention. This goes against the social values of the society.

Que.21 Explain the role of advertisement as a prime tool of promotion.

Ans. The role of advertisement as a prime tool of promotion is:

- 1. Promotion of Sales.** Advertising promotes the sale of goods and services by informing and persuading the people to buy them. A good advertising campaign helps in winning customers and generating revenues.
- 2. Introduction of New Products.** Advertising helps in the introduction of new products in the market. A business enterprise can introduce itself and its products to the public through advertising. Advertising enables quick publicity in the market.
- 3. Support to Production System.** Advertising facilitates large-scale production. The business firm knows that it will be able to sell on a large scale with the help of advertising. Mass production will reduce the per unit cost of production by making possible the economical use of various factors of production.
- 4. Increasing Standard of Living.** Advertising educates the people about the products and their uses. It is advertising which has helped people in adopting new ways of life and giving up old habits. It has contributed a lot towards the betterment of the standard of living of the society.
- 5. Public Image.** Advertising builds up the reputation of advertiser. Advertising enables a business firm to communicate its achievements and its efforts to satisfy the customers' needs to the public. This increases the goodwill and reputation of the firm.
- 6. Support to Media.** Advertising sustains press. It provides an important source of revenue to the publishers of newspapers and magazines and the producers of TV. Programs.

Que.22 Explain the importance of salesmanship.

Ans. Importance of salesmanship: Personal selling helps in promoting sales of goods and services. It is very important to manufacturers and traders because it helps them to sell their products. It also helps them in knowing the tastes, habits, attitudes and reactions of the people. The manufacturer can concentrate on producing those goods which are required by the customers. This will further promote the sales. Moreover, a good salesman is able to

establish personal rapport with customers. This way, the business gains permanent customers.

The important function for salesman is as follow:

1. They give full information to the customers about the product and are easy to persuade a person to buy a product through face-to-face explanation.
2. In most of the situations, there is a need of explaining the quality, uses and price of the product to the buyer to help him purchase the want satisfying product.
3. A good salesman educates and guides the customer about the features and utility of product.
4. If a product cannot fully satisfy the needs of customers, the information is transmitted to the manufacturer who will take appropriate steps.
5. Creative salesmen are always ready to help the customers to arrive at correct decisions while buying certain products.

Que.23 What are the qualities of good salesman?

Ans. Qualities of Good Salesman:

1. **Personality.** He should have attractive, cheerful and smart appearance.
2. **Intelligence.** He should be intelligent and strong memory power to understand and remember the nature of his customer.
3. **Communication Ability.** He should be able to speak freely, clearly and in a well-pitched voice. He must be a person who has a natural ability of conversation.
4. **Sociability.** A salesman should be social and have the ability to mix up with people.
5. **Vocational Skills.** Salesmanship is highly skilled vocation that needs certain training and specific bent of mind.
6. **Patience.** He should not provoke even under worst circumstances and should have sufficient patience to listen to customers and clear their doubts.
7. **Determination.** He should not lose confidence and give up efforts to win over the customer.
8. **Dependability.** The salesman can win permanent customers if he is honest, sincere and dependable.