



Unit - 11: MARKETING MANAGEMENT

Summary of the Chapter

Marketing management: It deals with planning, organizing and controlling the activities related to the marketing of goods and services to satisfy the consumer's wants. Its aim to achieve the organizational goals at minimum cost by: -

1. Analysing and planning marketing activities
2. Impementing the marketing plans.3-Setting control mechanism.

Marketing management philosophy/Concept

- (i) Product concept
- (ii) Production concept
- (iii) Selling concept
- (iv) Marketing concept
- (v) Social concept

Functions of marketing

1. Marketing research
2. Marketing planning
3. Product planning development
4. Packaging and labeling, Branding.
5. Customer support service
6. Storage and warehousing
7. Transportation
8. Promotion
9. Standardization and grading
10. Pricing Fixing

Marketing mix

Marketing mix includes all those activities, rules, procedures etc. which requires attaining success in the market.

Elements of marketing mix:

1. **Product Mix**-Product mix includes all those decisions, Activities, procedures which are related to the product such as features, quality, packaging etc.
2. **Price Mix**—It includes all those factors which are considered while determining of the price of the product.



BUSINESS STUDIES

3. **Place Mix**– It includes those activities which are related to movement of goods from the manufactures to the consumers and thus creates place utility.
4. **Promotion Mix**- - Promotional techniques are used to create product awareness amongst the potential target customers and persuade them to purchase the product. Like- advertising, personal selling, publicity and sales promotion etc. Channels of distribution, Physical distribution, Cost and service trade off in Logistics.

Product Mix

Packaging -Refers to the act of designing and producing the container, box or a wrapper of a product.

Levels of Packaging –

1. **Primary Packaging**- It refers to the product's immediate container. Like- toothpaste tube.
2. **Secondary Packaging**- It refers to the additional package, which provides additional layer protection to the product. Like- Cardboard box for toothpaste.
3. **Transportation Packaging**-it refers to further packing, which is necessary to protect the product in the process of transportation and storage.

Functions of packaging.-

1. Product identification
2. Product protection
3. Facilitating use of the product
4. Product promotion

Branding

Branding is the process of giving a name of or a sign or a symbol to a product. Such as Polo, LG etc.

Qualities of a good brand name-

1. **Short**- Brand name should be short so that anyone can remember, spell it.
2. **Relevant to the functions**- Name of the product should be relevant to the product's functions and suggest the producer's benefits and qualities.
3. **Adaptable to packing of labeling**- Brand name should be adaptable to packing of labeling requirement .

Advantages of branding:

- a) Brand name helps in advertising in easier way
- b) Brand name establishes the permanent identify of the product.
- c) Brand name promotes repurchasing.
- d) Competition becomes easier with the help of brand loyalty.



BUSINESS STUDIES

Price: It is the worth of a product or service in monetary terms. This money represents the sum of values that consumers exchange for the benefits of having or using the product of service.

Factors considered before fixing price are

- a) **Cost of product**– It includes the total cost of producing, distributing and selling the product like- Fixed Cost, variable costs, Semi-variable cost.
- b) **Competition in the market**–Competitors prices and their anticipated reaction must be considered before fixing the price of a product.
- c) **Utility and Demand of the product**– The maximum price a buyer is willing to pay is the value of the utility of the product and minimum price a seller is willing to offer is the cost of the product.
- d) **Pricing Objectives**–
 - 1- Price Maximization, 2-Obtaining market shares, 3-Surviving in a competitive market etc.

Place mix: It refers to a set of decisions that need to be taken in order to make the product available to the consumers for purchase and consumption.

Channels of distribution.—

- a) **Direct Channel (Zero level)** – In this channel manufacturer sells his product directly to the consumers without using any intermediary. Like-Bata, Amway etc.
- b) **Indirect Channel** – When manufacturer involves one or more intermediary to sell or distribute their product to the customers. Indirect distribution network are-
 1. **One Level Channel** –This channel of distribution involves one intermediary to transfer of goods from manufactures to the consumers.
Manufacturer ————— **Retailer** ————— **Customer**
 2. **Two Level Channel** –This channel of distribution involves two intermediaries to transfer of goods from manufactures to the consumers.
Manufacturer —Wholesaler————— **Retailer** ————— **Customer**
 2. **Three Level Channel** –This channel of distribution involves three intermediaries to transfer of goods from manufactures to the consumers.
Manufacturer —Agent——wholesaler ————— **Retailer** ————— **Customer**

Promotion mix: It is concerned with activities that are undertaken to communicate with both customers and participate in the channel of distribution such that sales goals are realized.

Elements of Promotion Mix-

Advertising - 2-Personal Selling 3- Sales Promotion 3.Publicity

Advertising: It is defined as any paid form of non-personal presentation or promotion of ideas, goods or services by an identified sponsor.

- Merits:**
- | | |
|-------------------|------------------------------------|
| 1) Mass reach | 2) Enhancing customer satisfaction |
| 3) Expressiveness | 4) Economical |



BUSINESS STUDIES

- Limitations:**
- | | |
|------------------|----------------------|
| 1) Less forceful | 2) Lack of feed back |
| 3) Inflexibility | 4) Low effectiveness |

Objections to advertisement

- Adds to Costs: Advertising costs are passed on to the consumers in the form of high prices.
- Some Advertisements are in bad taste.
- Undermines social values.
- Confuses the buyers.
- Encourages the sale of inferior goods.

Personal selling: It involves face-to-face interaction between the seller and the prospective buyer.

- Features:**
- | | |
|-------------------------|--------------------------|
| 1) Personal interaction | 2) Two way communication |
| 3) Better response | 4) Relationship |

Qualities of a good sales man:

- Physical Qualities – personality, stamina, health, tolerance
- Mental Qualities – mental alertness, sharp memory, initiative, imagination and self confidence.
- Social Qualities – Sociality, tact, sound character, sweet nature.
- Vocational qualities – Knowledge of product, knowledge of competitive products, training and aptitude.

Sales promotion: It refers to short term use of incentives or other promotion activities that seek to stimulate interest.

- | | | | |
|-------------|--------------------------|----------------------|-------------------|
| a) Rebates | b) Refunds | c) Discounts | d) Quantity deals |
| e) Contents | f) Packaged premium | g) Container premium | h) Premium Gifts |
| h) Sampling | i) Free in mail premiums | | |

Public relations-Public relations are the deliberate, planned and sustained effort to establish and maintain understanding between an organization and its public.

Role of public relations:

- | | |
|---------------------|---|
| i) More credible. | ii) Economical Medium |
| iii) Image building | iv) Boosts the sales of the organization. |

Various public relation tools to shape the public image if the organisation

- | | |
|------------------------------|----------------------|
| a) News | b) Speeches |
| c) Events | d) Written Materials |
| e) Public service activities | |



Very Short answer Type Auestions (1Mark)

Q.1 “It is necessary that goods and services must be made available to the customer at the right place, in right quantity and at the right time’. Name the concerned element of marketing-mix.

Ans. (a) The concerned element is Place mix.

Q.2. ‘Automobiles Ltd. Offered to sell their new bikes at about Rs.4, 000 less than the usual price’. This is an example of one of the techniques of sale promotion. Name the technique.

Ans. The given techniques of promotion mix are ‘Rebate’.

Q.3 “Money spent on advertisement is not a waste but an investment”. Do you agree with this view? Give reason in support of your answer.

Ans. Yes’ I agree with the given statement. Advertising is a medium through which a large number of people can be reached over a vast geographical area.

Q.4 A toy car free with ‘Maggi Noodles’ is an example of one of the techniques of sales promotion. Name the techniques

Ans. The given technique is ‘Product Combinations’.

Q.5 Which distribution channel should be used in case the buyers are widely dispersed?

Ans. Indirect Channels.

Q.6 Nisha, a school bag manufacturer decided to improve the product for profit maximization and thus added a water bottle holder to the existing design.

(i) Identify the marketing management philosophy adopted by Nisha; and

(ii) Explain the philosophy on the basis of:

- (a) Main focus and
- (b) Means and End.

Ans. (i) Product Concept.

(ii) (a) Main focus of this concept is on product quality.

(b) Means: Through better quality ; Ends: Profit through product quality.

Q.7 Mansi, a shoe manufacturer for school students, decided to maximize her profit by producing and distributing at large scale and thereby reducing the average cost of production.

(i) Identify the marketing management philosophy adopted by Mansi.

(ii) Explain this philosophy on the basis of:

- (a) Main Focus;
- (b) Means and Ends.

Ans. (i) Production Concept.

(ii) (a) Main focus of this concept is on quantity of product.

(b) Means: Through availability and affordability of product; ends: Profit through mass production.



BUSINESS STUDIES

Q.8 Jasdeep, a dealer in school uniforms, decided to maximize his profit by using different aggressive promotional efforts.

- (i) Identify the market management philosophy adopted by Jasdeep.
- (ii) Explain this philosophy on the basis of:
 - (a) Main Focus;
 - (b) Means and Ends.

Ans. (i) Selling Concept.

- (ii) (a) Main focus of this concept is on selling existing product.
- (b) Means: Through selling and promotional efforts; Ends: Profit through sales volume.

Q.9 It is necessary that goods and services must be made available to the customers at the right place, in the right quantity and the right time. Name and explain the concerned element of marketing Mix given above.

Ans. **Name - Place / physical Distribution-** The physical handling and movements of goods from place of production to the place of distribution is referred to as physical distribution.

Q.10 A TV manufacturing company is spending substantial amount of money to persuade target customers to buy its T.V. sets through advertisements, personal selling and sales promotion techniques. Identify the element of marketing mix referred here.

Ans. Promotion / Promotion Mix.

Short Answer type Question (3 or 4 marks)

Q 1 What is difference between selling concept and marketing concept?

Ans.

Points	Selling Concept	Marketing Concept
Main Focus	Attracting consumers	Consumer satisfaction
Means	Advertising, personal selling and sales promotion	Various marketing activities
Ends	Profit through maximum sales	Profit through consumer satisfaction

Q 2. What do you mean by marketing management?

Marketing management: It deals with planning, organizing and controlling the activities related to the marketing of goods and services to satisfy the consumer's wants. Its aim to achieve the organizational goals at minimum cost by: -

1. Analysing and planning marketing activities.
2. Implementing the marketing plans.
3. Setting control mechanism.



BUSINESS STUDIES

Q 3 Which marketing concept take care of social, ethical and ecological aspect of marketing? Describe the concept.

Ans. **Societal Marketing Concept-** This concept states that a business organization must adopt marketing concept in such a manner that it fulfills the needs and wants of potential customers.

Q 4 What do you mean by the **Branding**? Explain 3 qualities of a good brand name.

Ans. **Branding** is the process of giving a name of or a sign or a symbol to a product. Such as Polo, LG etc.

Qualities of a good brand name-

1. **Short-** Brand name should be short so that anyone can remember, spell it.
2. **Relevant to the functions-** Name of the product should be relevant to the product's functions and suggest the producer's benefits and qualities.
3. **Adaptable to packing of labeling-** Brand name should be adaptable to packing of labeling requirement.

Q.5 Elder Pharmaceuticals is a leading company engaged in manufacturing cough syrups. The company packs the syrup first in glass bottle and then in a cardboard box. As the syrup is demanded all over the world, 20 boxes of syrups are packed in corrugated boxes and distributed to various chemist and hospitals.

- (i) Identify the three levels of packaging highlighted in the given case;
- (ii) What is the basic purpose of packing the cardboard boxes in corrugated boxes?

Ans. (i) The three levels of packaging are:

- (a) Primary Package (glass bottle);
- (b) Secondary packaging (cardboard box);
- (c) Transportation packaging (corrugated box)

(ii) The basic purpose is to protect the product in the process of transportation and storage.

Q6 What is public relation? Explain its role.

Ans. Public relations are the deliberate, planned and sustained effort to establish and maintain understanding between an organization and its public.

Role of public relation:

- i. **Press relations-** Public relation department is in contact with the media to present the organization's picture in positive manner in press.
- ii. **Product publicity-** Public relation department manages the sponsoring of sports and cultural events to create the publicity of the new product to be launched.



Long Answer Type Questions (5/6 Marks)

Q 1 Explain the functions of marketing?

Ans. **Marketing functions:**

1. **Marketing research**-This refers to study of market so that customers needs, desires and preferences can be identifies and product can be design and developed as per their requirement.
2. **Marketing planning**-The marketing plan involves laying out specific strategies to increase market share, promotion program and increase production capacity to meet increased demand.
3. **Product planning development**- A good design improves the quality of the product and makes it attractive and competitive in the target market. Development of product as per requirement of customers.
4. **Packaging and labeling**- **Packaging** refers to designing the package for the products and **labeling** refers to designing the label to be put on the package. Both plays an important role in marketing the product.
5. **Branding**- Branding refers to giving a name, sign or symbols to the product. Brand name provides business an identity and distinguishes its product from that of its competitors.
6. **Customer support services**- These services related to handling customers after goods are sold them. Its main aim is to maintain good relationship with customers.
7. **Storage and warehousing** -For smooth flow and regular supply of goods business need to maintain appropriate stock level and thus require warehousing or storage facilities.
8. **Transportation** – Transportation facilitates movement of goods from the manufactures to the consumers and thus creates place utility.
9. **Promotion** - Promotional techniques are used to create product awareness amongst the potential target customers and persuade them to purchase the product. Like- advertising, personal selling, publicity and sales promotion etc.
10. **Standardization and grading**- Standardization refers to producing products with predetermined specifications and grading classified the product into different groups on the basis of size, quality etc.
11. **Price Fixing** – Price of the product affects the success or failure of a product in the market. Demand of the product is inversely related to its price. The marketers analyses all the factors, while setting prices.



Q2 What do you mean by Packaging? Explain level and functions of packaging.

Ans. Packaging refers to the act of designing and producing the container, box or a wrapper of a product.

Levels of Packaging –

1. **Primary Packaging-** It refers to the product's immediate container. Like- Toothpaste tube.
2. **Secondary Packaging-** It refers to the additional package, which provides additional layer protection to the product. Like- Cardboard box for toothpaste.
3. **Transportation Packaging-** it refers to further packing, which is necessary to protect the product in the process of transportation and storage.

Functions of packaging.-

1. Product identification – Packaging helps in identification of the product out of various products. It contains brand, features of the product etc.
2. Product protection – Packaging protects the products from spoilage, damage, leakage, pilferage, humidity etc.
3. Facilitating use of the product-The size and shape of the package should be convenient to open, handle and use for consumers.
4. Product promotion – Packaging acts as a good salesman as it promotes the product and increases its sale.

Q3 What do you mean by the price? Explain factors affecting price determination.

Ans. Price: It is the worth of a product or service in monetary terms. This money represents the sum of values that consumers exchange for the benefits of having or using the product of service.

Factors considered before fixing price are

- (i) **Cost of the product:-** Cost of the product is the main component of the price . No company can sell its product or service at less than the cost of the product. A Fixed and variable cost are to be considered for determining the price.
- (ii) **The utility and demand for the product:** - Intensive study for the demand for product and service in the market is to be undertaken before the fixation of the price of the product. If demand is relatively more than supply, higher price can be fixed.
- (iii) **Extent of competition in the market:-** It is necessary to take into consideration prices of the product of the competing firms prior to fixing the price. In case of cut throat competition it is desirable to keep price low.
- (iv) **Government & Legal Regulation:-** If the price of the commodity and service is to be fixed as per the regulation of the govt., it should also be borne in mind.



Q.4 What do you mean by the place mix? Describe the factors affecting the channels of distributions.

Ans. **Place mix:** It refers to a set of decisions that need to be taken in order to make the product available to the consumers for purchase and consumption.

Factors affecting the channels of distributions-

I Product related Factors-

- (i) **Industrial product or consumer product**-for industrial product short or direct channel can be used as such product are technical and expensive. For consumer product long channel are preferred as such products are standardized and less expensive
- (ii) **Perishability**-perishable products like fruits, vegetable etc. are best sold through short channel

II-Company related Factors

- (i) **Financial strength**-a financially strong company may conveniently opt for direct channel.
- (ii) **Degree of control over distribution**-when a firm want to exercise control over distribution, than short or direct channel can be preferred

III Market related Factors

- (i) **Size of market**-if the size of marker is large with numerous customers it is economical to use more intermediaries.
- (ii) **Geographical concentration**-if buyers are concentrated in a small geographic location, it is better to opt for direct channel.

Q 5 What do you mean by the advertising? Explain role of advertising.

Ans. **Advertising:** It is defined as any paid form of non-personal presentation or promotion of ideas, goods or services by an identified sponsor.

Role of advertising-

1. **Mass reach**-Advertising is a medium through which a large number of people can be reached over a vast geographical area.
2. **Enhancing customer satisfaction and confidence**- A publicly advertised product gets authenticity as there is always s proof for if. Buyers feel more comfortable to buy a widely advertised product.
3. **Expressiveness**- With use of latest technique, graphics and multimedia, modern advertising has become one of the most forceful medium of communication. It makes product and message more expressive.
4. **Economy**-Adertising is economical because of its mass reach. The total advertising cost is spread over a large number of people.



Q 6 Explain the objections of advertising.

Objections to advertisement-

1. **Adds to Cost:** Advertising costs are passed on to the consumers in the form of high prices. It increases the price of the product.
For –example-An advertisement on TV cost large amount of money.
2. **Some Advertisements are in bad taste-**Some advertisement make use of indecent language, photograph or convey bad message in order to attract customers. For example- Women running after a person because he is using a particular perfume.
3. **Undermines social values-**an advertisement leads to discontent among people, it is often said that advertising undermines social values.
4. **Confuses the buyers-**With continuous increase in the number of advertisement, consumers are likely to get confused. Each brand claims to be better than the other. For example- advertisement of Surf, Tide, Ariel, Vanish etc. Each brand claims to be the best brand.
5. **Encourages the sale of inferior goods-**Advertising does not distinguish between superior and inferior products and often induces people to buy even the inferior product.

Q 7 What is the personal selling? Describe the qualities of a good salesman.

Ans. Personal selling: It involves face-to-face interaction between the seller and the prospective buyer. It involves oral presentation of message in the form of conversation with one or more prospective customers for the purpose of making sales.

Qualities of a good sales man:

- a. **Physical Qualities** – A good salesman should possess healthy physique and attractive personality. Good appearance and posture, sound health, pleasing voice etc.
- b. **Mental Qualities** – A good sales man should have a high degree of intelligence and imagination. He should understand the customers quickly and read his mind. Other qualities-mental alertness, sharp memory, initiative, imagination and self confidence.
- c. **Social Qualities** – A good sales man should have social qualities like Sociality, tact, sound character, sweet nature.
- d. **Vocational qualities** – A good sales man should have vocational qualities like- Knowledge of product, knowledge of competitive products, training and aptitude.
- e. **Good communication skill-** A good sales man should possess a controlled voice and a good command over the language. He should be clear of what to be communicated.



BUSINESS STUDIES

Q8 What do you mean by the sales promotion? Give sales promotion activities?.

Ans. Sales promotion: It refers to short term use of incentives or other promotion activities that seek to stimulate interest. Buyers are encouraged to make immediate purchase of a product of service. This incentives are-

- a. **Rebates** -It refers to offering the product at a price less than the original price to clear off the excess inventory.
- b) **Refunds** -. In this method, a part of the product price is refunded to the customer on showing proof of purchase.
- c) **Discounts** - It refers to reduction of certain percentage from the price for a limited period. It is induce consumers to buy more. For example-50% off at shoppers stop.
- d) **Quantity deals** - It offers some extra quantity of the main product as gift to the customers. For example-Buy 3 get 1 free in case of soap.
- e) **Sampling**- It involves offer of free sample of product to potential customers at the time of launch of a new product.
- f) **Full Finance**- in this method, product is sold on installment basis at zero percent rate of interest.