



INDIAN SCHOOL AL WADI AL KABIR

Class: XI	Department: Commerce
Worksheet 5	Topic: CONCEPT OF MARKET

FILL IN THE BLANKS

1. In traditional markets the agriculturist disposed of the _____ in his immediate neighbourhood.
2. At every point where a specific commodity is concentrated for sale a _____ is found.
3. In the modernised version of market every business activity is _____ oriented.
4. Carrying on business activities through internet is called _____.
5. Conduct of industry trade and Commerce using computer network is called as _____.
6. The interaction of the firm with its customers and suppliers over the internet is called as _____.
7. Business is an _____ activity which involves sale or exchange of goods and services at regular basis.
8. Market intermediaries are _____ that facilitate the flow of goods and services between company and final market.
9. Cultural environment consists of values and _____ of a group of people.
10. Market research _____ the danger of making wrong choices between alternative courses of action.
11. Research instruments are tools, methods or _____ employed to gather information.
12. Market survey is a _____ of market research.
13. The summary of key findings of survey is called a _____.
14. The systematic survey can reduce _____ of uncertainty.
15. The _____ and _____ are two common types of market survey.
16. Competitors are such factors in micro environment that provide _____ offerings of goods and services.
17. Physical distribution creates both the place and _____ utility.
18. Under physical distribution entrepreneur generally decides upon channel of distribution and _____.
19. Under zero level channel produces supply the product directly to the _____.
20. Under indirect channel produces supply their product through one or more _____.
21. Activities which are undertaken to boost the sale are known as _____ mix.
22. Price revolves around utility and _____.
23. An art to persuade the people is known as _____.
24. Starting public contact programs to introduce the product in the market is known as _____.
25. An effort to stimulate people to buy more and more of a particular commodity by offering various schemes is known as _____.

Answers

1. Surplus
2. Market
3. Consumers
4. E- business
5. E-business
6. E-commerce
7. Economic
- 8.. Institutions
9. Beliefs

10. Reduces

11. Techniques
12. Technique
13. Report
14. Risk
15. Census, sample
16. Similar
17. Time
18. Mode of Transportation
19. Consumer
20. Middlemen
21. Promotion
22. Value
23. Personal Selling
24. Public relations
25. Sales promotion

TRUE OR FALSE

1. Market research starts with developing the research design.
2. The market survey includes all the research activities involving extraction of information directly from the sources.
3. Advertising and salesmanship increases the knowledge of the customer about the products available in the market .
4. Marketing mix includes the P's that is product, price, public and promotion marketing mix .
5. Distribution channel is concerned with supplying the right quantity of the right product to the right location.
6. One Level channel includes wholesaler and retailer as middleman.
7. Two level channel includes wholesaler and retailer as middleman.
8. Buy one get one free is one of the personal selling promotion technique.

Ans:

1. False
2. True
3. True
4. False
5. True
6. False
7. True

(c) Two-level channel

(d) Three level channel.

11..Identify the channel which involves no middleman between producer and consumer .

(a) One Level channel

(b)Two Level channel

(c) Three Level channel

(d) Zero level channel.

12. The enterprise may start public contact programs to introduce the product in the market

Identify the promotion mix

(a) Sales promotion

(b) Public relation

(c) Personal selling

(d) Publicity

13. It is the only element in the marketing mix which involves revenue. Identify the marketing mix variable.

A) Product

(b) Place

C) Price

(d) Promotion

14. Match the following on the basis of elements of promotion mix.

(A) Advertising	(1) Starting public contact programme
(B)Personal selling	(2) Persuade customer to buy more & more of a particular product
(c) Sales promotion	(3) Establishes non-personal contacts with the customer

A- (3) B – (1) C – (2)

15. Identify the promotion mix from the following image:



Sales Promotion.

DESCRIPTIVE QUESTIONS:

1.State the focus of modern market – market of 70s and 80s.

The market is not taken as a geographical place but a meeting of:

(i) Buyers and sellers

(ii) For a given commodity

- (iii) Who remains in close contact format with each other through any means personally, by mail, phone etc.
- (iv) Buyers and sellers are in competition with one another.
- (v) The place or area can be regional, national or international.

2. E-business's growing popularity is because of the role it plays especially for the promotion of the business community. In the light of this statement, explain the role of e-business.

The role of e business can be explained as follows:

- (1) Quick Solution to Doubts: E-business allows quick response to the queries and doubts of customers and other business houses, thus facilitating sales by increasing customer satisfaction.
- (2) Updated Information: A company's web-site, which can be accessed anywhere in the world, provides not only the first hand but the latest information about the price, discount, quality, features, range etc. available to the consumers merely at the click of the mouse.
- (3) Extending Markets: Because of e-business, the markets have become global. Now making sales to customers has spread over the different parts of the world. E-business has made it possible to make things available in those areas too where there are no markets around like rural areas.
- (4) Shortening of distribution channel: Ever since e-business come into existence, producers have started having direct contact with the consumers, resulting in the reduction of middlemen and related cost. As a result, the consumers now get goods comparatively at lower prices directly from the producers.
- (5) Saving of time and cost: Customers now do not have to physically visit the market to purchase goods. They can get information and the goods online because of e-commerce, thus saving time, cost and energy.
- (6) Less risk in payments: Under e-business, payments can be made on the Internet through the medium of credit cards issued by the bank, thus reducing risks involved in the transfer of money.
- (7) Easy to launch new products: Any company can launch its new product in the market through the medium of e-business much more easily. Mails, catalogues, photographs, etc. can help customers understand the product better.
- (8) Lower personnel cost: The number of personnel required decreases with the help of ebusiness because a single computer is good enough to do the job of many employees more quickly and correctly. This leads to helping the entrepreneur lower cost of production and raise sales.

3. The macro forces refer to all forces that are part of the larger society and are the "uncontrollable" to which companies adapt through setting the "controllable" factors.

Explain the macro environmental factors.

Demographic Forces: Demographic forces refer to human populations in terms of size, density, location, age, gender, race, and occupation. They are very important factors of the market as they help to divide the population into market segments and target markets.

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Technological Forces: The technological environment is perhaps one of the fastest changing factors in the macro environment. This includes all developments from antibiotics and surgery to nuclear missiles and chemical weapons to automobiles and credit cards. Advances in technology have provided opportunities to new products, new ways of selling, new markets & trends.

Political Forces: The political environment includes all laws, government agencies, and groups that influence or limit other organizations and individuals within a society.

Natural Factors: These include the natural resources that a company uses as inputs and affects their marketing activities. The concern in this area is the increased pollution, shortages of raw materials and increased governmental intervention.

Cultural Forces: The cultural environment, which consists of institutions and basic values and beliefs of a group of people. The values can also be further categorized into core beliefs, which passed on from generation to generation.

4. It is referred as the systematic study and evaluation of all factors bearing on any business operations which involves the transfer of goods from a producer to a consumer.

(a) Name the concept defined above.

(b) State the uses of information generated through it.

(a) Market research

(b) The uses as follows:

- Identify and define marketing opportunities and problems.
- Generate refine and evaluate marketing actions;
- Monitor marketing performance;
- Improve understanding of marketing as a process.

5. Explain the steps involved in conducting market survey.

Survey is a customized technique. The steps involved in this process are as follows:

Step 1 - Planning the Survey: The entrepreneur must first of all decide what is it, he/she wants or needs to know about the market. Planning the survey demands on the part of entrepreneur to: a) Define the problem clearly and accurately b) Select the most appropriate method to conduct the survey viz. personal interview, Telephonic etc. c) Decide the area and extent of the study. d) Questionnaire development.

Step 2: Field Work Field work calls for a lot of managerial and administrative skills apart from research skills. Thus, the entrepreneur should ensure that:- a) Investigators for fieldwork are scientifically recruited or properly trained for the work. b) It is properly supervised, c) The time schedule is adhered to, d) Responses are honestly and accurately recorded e) The collection of data is done meticulously.

Step 3: Analysis and Interpretation of Data: The raw data serves no purpose. The entrepreneur either by using software program or by hand, tabulate the collected data. Carefully he should analyze the data, working for information that stand out, and the data is:- (i) Edited (ii) Tabulated processed and interpreted (iii) Statistical analysis and interpretations recorded

Step 4: Report Making: Is the last step, when it is time to summarize findings and recommendations. Market research reports with key findings from the study, a summary of what the study revealed, along with a list of recommendations for the enterprise's continual growth and success in the market is done. This final report serves as the basis for taking any entrepreneurial decision.

6. The basic objective of a market survey is to collect information on various aspects of the business. As it involves gathering, recording and analyzing the data regarding the utility and marketability of the product. Explain the importance of Market survey.

It's importance can be judged from the following points:-

(i) Customer is the King: To know accurately the customer's needs/wants, nature of demand, likes and dislikes and all other related aspects of movement of products from the stage of production to the point where they get consumed, is possible, with the help of appropriately designed survey, which can give an edge over competitions.

(ii) Risk reduction: The systematic and intelligent use of market survey can reduce/minimize the risk of decision making under the conditions of uncertainty as results are analyzed in order to finalize a business plan.

(iii) Helps attaining objectives: As a market survey starts with a customized design created to meet the entrepreneur's and his enterprise's specific needs and strategic objectives, the attainment of goals happens smoothly and timely.

(iv) Market Overview: A market survey as is a systematic collection, recording, analysis and interpretation of data, relating to the existing or potential market and various forces of the market on the basis of information composed from survey.

(v) Forecast: The market survey provides an accurate effective and timely sales forecast and promotes the soundness of marketing decisions which is key for success of any enterprise. —To manage a business well is to manage its future, and to manage its future is to manage information."

(vi) Facilitates Decision – Making: A customized market survey is a tool not only to collect an idea about customers, their wants, buying behavior, the new product and its acceptance, the competitors, but also helps in : a) Short and long term forecasting b) Comparative effectiveness studies c) Packaging research d) Pricing studies e) Distribution channel strategies etc.

7.State the main factors affecting channels of distribution.

Nature of Product, Nature of market, Intermediaries, Tendency of the producer.

8.State the common modes of distribution.

The common modes of Transportation are classified as follows: (1) Railways (2) Roadways (3) Waterways (4) Airways (5) Pipelines.

9.State the factors to be considered while selecting the modes of distribution.

Cost • Flexibility • Availability • Nature of Commodity • Requirement of customer • Duration involved • Speed and safety parameters.

10.Discuss the types of channels of Distribution.

The channels refer to the methods of marketing and most common ones being:-

1. Direct Channels/Zero-level: Through this channel, the producers supply the products direct to the consumers. The producer, here either supplies directly to the consumer or through its retail outlets. An ordinary single bakery, Frontier Biscuits, Bata Shoe Company, etc. are the examples of this type of channel.

2. Indirect Channels: In this type, the producers supply their products through one or more intermediaries. According to the number of intermediaries, the following are the types of channels:

(i) Producer-Retailer-Consumer (One level channel): Under this type, producer sells the product to retailer, who in turn sells to the consumer. The producers of refrigerators, washing machines, etc. sell their products to retailers, who then sell the same to consumers.

(ii) Producer-Wholesaler-Retailer-Consumer (Two level channels): This is the most common channel of distribution. Under this channel, two intermediaries viz., the wholesaler and retailer are involved between the producer and the consumer. Some popular products distributed through this channel are sugar, soaps, ghee, grains, etc.

(iii) Producer - Agent - Wholesaler - Retailer - Consumer (Three level channels): Under this type, the producers take the help of agents who, in turn, supply to wholesalers and then through the retailers, the goods ultimately reach the consumers. The channel is common where the producers have to distribute a limited product line to cover a wide market.

11.Explain the tools used for promotion mix.

Tools/elements of Promotion Mix:

1. Personal Selling: An art to induce people to buy the product. It is an effort to win the everlasting confidence of the consumers.
2. Advertising: An activity which establishes non-personal contact with the customers regarding the product, idea and service. It is an effort to create and sustain the demand for the product.
3. Publicity: Unpaid mention of the enterprise, its product, and brand by the news media in newspaper, journals, radio or television. It is an uncontrolled form of promotion.
4. Exhibitions and Demonstration: Promoting the product, where the enterprise may display product in fairs and exhibitions. It may also demonstrate the product and its actual working.
5. Public Relations: The enterprise may start public contact programmes to introduce the product in the market.
6. Sales Promotion: It is an effort to stimulate customers to buy more and more of particular commodities like buy one get one free, discount coupons etc.

12. It is the only element in the marketing mix that produces revenue, the other elements produce cost. Identify and explain the importance of the element.

Price is the only element in the marketing mix that produces revenue, the other elements produce cost. Thus, it is essential that we get a good picture of the significance of pricing.

(a) Key to Revenue: Price and sales volume together decide the revenue of any business. As the sales volume in itself is dependent on price, “pricing really becomes the key to revenue of the business”.

(b) Attract Customers: Pricing's power to break customer's brand loyalty by a lower price in the market needs no evidence or elaboration.

(c) Edge Over Competition: Consumers want the maximum quantity at minimum prices. Good quality but at reasonable price is their demand. So, it is competition that contributes the maximum to the importance of pricing. It is competition again, that makes pricing a highly dynamic function. And in meeting competition, pricing decisions acquire their real importance.

(d) Crucial to Profits: Pricing is crucial to profits. It is risky area of decision in marketing management. Mistakes in pricing decisions seriously affect the firm's, profits, growth and future.

(e) Platform for Achieving other Objectives: A business firm may have a number of objectives, some short term, some long term, some primary, and some secondary to be attained. This is one of the reasons, why today corporate go in for profit optimization rather than profit maximization.