



# INDIAN SCHOOL AL WADI AL KABIR

<b>Class: XII</b>	<b>Department: Commerce</b>
<b>WORKSHEET: 3</b>	<b>UNIT 3- ENTERPRISE MARKETING</b>

## OBJECTIVE TYPE QUESTIONS (MCQ/Fill in the blank/True or False)

1. It that part of a brand which can be vocalized i.e. can be spoken. Like, Mercedes, Woodland, Asian Paints.

- A. Logo
- B. brand**
- C. Trademark
- D. Tagline

2. According to Philip Kotler, "A \_\_\_\_\_ is the mixture of controllable marketing variables that the firm uses to pursue the sought level of sales in the target market."

A. Market. B. Market Strategy **C. Marketing Mix.** D. Marketing environment.

3.



Identify the advertising media shown in the above image.

- A. Outdoor**
- B. Ambient
- C. Point of sale
- D. Window Display

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

- A. Product mix**
- B. Brand mix
- C. Consumer mix
- D. Packaging mix

5. The components of Product mix are: Branding, Labelling and \_\_\_\_\_.

A. Place. B. Price C. Logo **D. Packaging.**

6. \_\_\_\_\_ buy products and \_\_\_\_\_ use product.

- A. Consumer & customer
- B. Customers & consumer**
- C. Buyers & sellers
- D. Buyers & customers

7.



Identify the promotion strategy shown in the image above.

- A. Above-the line
- B. Below -the-line**
- C. Through-the-line
- D. None of these

8.Fill in the blank:

**Generic Requirement** is the core benefit, a product offers to the customer. For example: a refrigerator offers storing, preserving and cooling food or similar items.

9.It is an identifying symbol for a product or business. It can be any distinctive design, mark, sign which stands associated with the entrepreneur's offering.

- A. Logo**
- B.Tagline
- C.Slogan
- D.None of these.

10. "How are you telling consumers in your target group about your product". This question belongs to which marketing concept?

- A. Place
- B. Price
- C. Product
- D. Promotion.**

11.A consumer contest is an example of \_\_\_\_\_.

- A. Advertising
- B. Indirect selling
- C. Personal selling
- D. Sales promotion.**

12. It gives the creator of original work exclusive rights to it, usually for a limited time. It means apply to a wide range of creative, intellectual or artistic forms or work. For example, musical composition, literary work such as poems, plays etc.

Name the intellectual property defined above.

**Ans: Copyright**

13.State True or False:

(a) Skimming pricing is a pricing strategy where the price of a product is initially set at a price lower than the eventual market price to attract new customers. **FALSE**

(b) Indirect sales approaches apply more subtle techniques by demonstrating features and benefits not available with the competition's products or services without ever mentioning them by name. **TRUE**

(c) Above-the-line methods are very specific, memorable activities focused on targeted groups of consumers. They are under the control of the organisation. The purpose of these activities has been to develop the brand by creating awareness and building a brand profile. **FALSE**

14. This is any type of advertising media includes static advertising such as billboards, backs of street benches and bus shelters or mobile advertising displayed on buses, trains, taxis or towed signage.

Name the advertisement media defined above.

Ans: **Outdoor media**

15. It means selling products personally. It involves oral presentation of message in the form of conversation with one or more prospective customers for the purpose of making sales.

A.Sales Promotion      B.**Personal Selling**      C.Publicity      D.Public Relation.

16.Which one of the following is not a rule to consider for planning advertising activity?

A.Aim      B.Target      C.**Supplier**      D.Media

17. What kind of distribution would you adopt for consumer durable and perishable goods?

Ans: **As a manufacturer I would choose minimum or no middlemen as channel of distribution for such an item or product which is of highly perishable nature. On the contrary, a long distribution channel can be selected for durable goods.**

DESCRIPTIVE TYPE QUESTIONS:

18. Avinash wants to open a tailoring shop in a colony. Name the suitable pricing method for providing his service. Give reason.

Ans: **Penetration Pricing.**

**The market is highly competitive with several tailors so penetration pricing will result in fast diffusion and adoption. This can achieve high market rates quickly. This can take the competitors by surprise, not giving them time to react.**

19. Gaurav has just started his business of selling designer furniture. Being new to the business community, he approaches you to tell him about how to promote his business. Explain him the elements of promotion mix.

Ans: **Most businesses use a mix of advertising, personal selling, referrals, sales promotion and public relations to promote their products or services.**

**Advertising is a paid form of communication designed to persuade potential customers to choose the product or service over that of a competitor.**

**Personal selling means selling products personally. It involves oral presentation of message in the form of conversation with one or more prospective customers for the purpose of making sales.**

**Sales promotion relates to short-term incentives or activities that encourage the purchase or sale of a product or service.**

**Public relations are about building good relations with the stakeholders (public) of the business by obtaining favourable publicity, building a good corporate image and handling or**

**heading off unfavourable rumours, stories and events.**

20. The salesperson are in direct contact with the customers and are able to highlight each and every feature of their own product and the negative aspects of the competitors' product. Which type of sales strategy is being discussed above?

**Ans: Direct sales strategy, sales people attack the competition head on when talking to the customer. They talk about each feature of the competition's product and compare it to theirs. The term "negative selling" refers to the direct sales approach.**

21. Television is a powerful advertising media because it creates impact through sight and sound. Still, it is not favoured by small business. Why?

**Ans: Television is a powerful advertising medium because it creates impact through sight, sound and movement. However, the cost of producing the advertisement and procuring sufficient air time to allow the campaign to work often makes it prohibitive for small businesses.**

22. Assuming you plan to manufacture detergent powder, how would you assess the size of the market in your locality?

Briefly state the sales promotion strategy you would adopt to sell the product.

**Ans: The size of market can be assessed by market survey, through census or govt. report and also verifying the sales figure of all detergent powder in the market.**

**Sales Promotion Strategy for customers:**

**Point of purchase display material • In-store demonstrations, samplings and celebrity appearances • Competitions, coupons, sweepstakes and games • On-pack offers, multi-packs and bonuses • Loyalty reward programmes.**

**Sales Promotion Strategy for traders(wholesaler & retailers):**

**Reward incentives linked to purchases or sales • Reseller staff incentives • Competitions • Bonus stock**

23. The Apple iPhone, a smartphone was launched by Apple in January 2007 in North America and when it went on sale it quickly sold out. It has launched the sixth generation phone in 2012. The latest is iPhone 6+. Apple has been doing continuous research and development to attain this position, it has invested a lot in R&D. It prices its latest phone quite high.

(a) Name the pricing policy followed by Apple Inc.

(b) State two demerits of this policy.

**Ans: (a) Price Skimming.**

**(b) This strategy can backfire if there are close competitors and they also introduce same products at lower price then consumers will think that the company always sells the products at higher prices which will result in consumers abandoning other products of the company also.**

**Price skimming is not a viable option when there are strict legal and government regulations regarding consumer rights.**

**If the company has history of price skimming then consumers will never buy a product when it is newly launched, they would rather wait for a few months and buy the product at lower price.**

24. Name the sales promotion technique used for final buyers.

**Ans: Sales Promotion Strategy for customers:**

**Point of purchase display material • In-store demonstrations, samplings and celebrity appearances • Competitions, coupons, sweepstakes and games • On-pack offers, multi-packs**

**and bonuses • Loyalty reward programmes.**

25. It is the deliberate, planned and sustained effort to establish and maintain mutual understanding between an organisation and public.

(i) Identify the concept stated above.

(ii) Name the tools used for the concept identified in (i)

**Ans: (i) Public Relation.**

**(ii) Typical public relations tools include: • News creation and distribution (media releases) • Special events such as news conferences, grand openings and product launches • Speeches and presentations • Educational programs • Annual reports, brochures, newsletters, magazines and Audio–visual presentations • Community activities and sponsorships**

26. Smiley Ltd. started the manufacturing of herbal toothpaste. They researched that large number of established enterprises were also manufacturing the similar type of products. The company fixed the price of their toothpaste on 'cost plus method' of pricing. After some time, the company realized that they were not getting good response regarding their toothpaste from the customers and the market share of their toothpaste was less than 0.5%. Since their product was new, they decided to change the pricing method so that initially they could get more customers.

(a) Identify the new pricing method that was adopted by Smiley Ltd.

(b) State any two advantages of the new pricing method identified in (a) above.

**Ans: (a) Penetration Pricing.**

**(b) The advantages are as follows:**

**It can result in fast diffusion and adoption. This can achieve high market rates quickly. This can take the competitors by surprise, not giving them time to react.**

**It can create goodwill among the early adopters segment. This can create more trade by word of mouth.**

27. Mother Dairy dealing in dairy products and fruits and vegetables sells its various products like milk, cheese, vegetables through its own outlet. It also deals in frozen vegetables and processed fruits like jams and pickles. Its slogan is Happy people, happy food.

(i) What is the tagline of Mother Dairy?

(ii) Explain the type of distribution channel adopted by Mother Dairy?

**Ans: (i) Happy people, happy food**

**(ii) Producer-customer (Direct channel-zero level): This is the simplest and shortest channel in which no middlemen are involved and producers directly sell their products to the consumers. It is fast and economical channel of distribution. Under it, the producer or entrepreneur performs all the marketing activities himself and has full control over distribution. The manufacturer should choose no middlemen as channel of distribution for such an item or product which is of highly perishable nature.**

28. The Ultra Ltd. is one of the oldest enterprises ruling in commercial market. They have always led the market with their variety of products. Being the demand of time, the company is considering changing the prices of few products. The washing powder offered by the company is very well preferred by the customers and a fixed percentage of profit can be earned but the company wants to offer the same to the rural areas. As the availability of washing machines may act as a hurdle the strategic alternative adopted by the company is to offer a washing bar. This will help the company to achieve high market rates quickly and can create goodwill among the early adopters segment. This can create more trade by word of mouth. The past two years with the new product of cell phones has been quite fruitful. To launch the new model of handset the company had invested a lot in the R&D. To recover they are planning to target the early adopters in market.

You being the part of pricing team state the most appropriate pricing strategies to be followed for the products. Support your decision with favorable reports.

**Ans: Washing powder: Penetration pricing.** Penetration pricing is most commonly associated with a marketing objective of increasing market share or sales volume, rather than to make profit in the short term. The price will be raised later once this market share is gained. It creates cost control and cost reduction pressures from the start, leading to greater efficiency. It discourages the entry of competitors. Low prices act as a barrier to entry. It can create high stock turnover throughout the distribution channel.

**Cell phones: Price Skimming.** Skimming is usually employed to reimburse the cost of investment of the original research into the product commonly used in electronic markets when a new range, such as smart phones, are firstly dispatched into the market at a high price. This strategy is often used to target "early adopters" of a product or service. Early adopters generally have a relatively lower price-sensitivity

29. Komal has started an herbal toothpaste manufacturing unit. She has decided about the logo, packaging format and labelling of the product. Her friend Sneha asked her whether she has taken care of the legally recognised exclusive rights of other manufacturers in the industry before taking the above stated decisions.

Identify and give the meaning of the concept about which Sneha asked Komal.

**Ans: Intellectual Property Rights.**

**Intellectual property (IP) rights are the legally recognized exclusive rights to creations of the mind. Under this law, owners are granted certain exclusive rights to a variety of intangible assets. Common types of intellectual property rights include copyrights, trademark, patents, industrial design rights and trade secrets.**

30. When a manufacturer selects some channel of distribution he/she should take care of such factors which are related to the quality and nature of the product.

Discuss the product related factor in context of above statement.

**Ans: When a manufacturer selects some channel of distribution he/she should take care of such factors which are related to the quality and nature of the product. They are as follows:**

**1. Unit value of the product** When the product is very costly it is best to use a small distribution channel. For example, industrial machinery or gold ornaments are very costly products that is why for their distribution small distribution channel is used. On the other hand, for less costly products long distribution channel is used.

**2. Standardised or customised product** Standardised products are those for which cost is pre-determined and there is no scope for alteration. For example: utensils of MILTON. To sell this long distribution channel is used. On the other hand, customised products are those which are made according to the discretion of the consumer and also there is a scope for alteration, for example; furniture. For such products face-to-face interaction between the manufacturer and the consumer is essential. So, for these direct sales is a good option.

**3. Perishability** A manufacturer should choose minimum or no middlemen as channel of distribution for such an item or product which is of highly perishable nature. On the contrary, a long distribution channel can be selected for durable goods.

**4. Technical nature** If a product is of technical nature, then it is better to supply it directly to the consumer. This will help the user to know the necessary technicalities of the product.

31. What does CRM stands for? State its meaning and why is it considered as business strategy?

**Ans: CRM is the abbreviation for customer relationship management. It entails all aspects of interaction that a company has with its customer, whether it is sales or service-related. It is the process of carefully managing detailed information about individual customers in order to manage loyalty.**

**CRM is often thought of as a business strategy that enables businesses to:**

**understand the customer, retain customers through better customer experience, attract new customer, win new clients and contracts, increase profitability, decrease customer management costs.**

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