



INDIAN SCHOOL AL WADI AL KABIR

Class: XII Business Studies	Department: Commerce
Worksheet No: 1	Topic: Marketing

Fill in the blanks

1. _____ refers to the amount of money a consumer is ready to pay in exchange of the product. [Price]
2. _____ Additional layer after primary packaging. [secondary packaging]
3. _____ is a paid form of promotion method involving an identified sponsor. It is impersonal in nature. [advertisement]
4. 'Buy 2 Get 1 Free' offer of a marketer of shirts is an example of _____ type of sales promotion. [Quantity gift]
5. The _____ department adopt certain programmes which will add to their public image and ensure that negative publicity does not take place at all. [Public relation]

True or False

1. A car manufacturer's offer to sell a particular brand of car at a discount of `10,000, for a limited period is an example of 'Discount' as a sales promotion tool. [False]
Answer-Rebate.
2. Advertising involves oral presentation of message in the form of conversation with one or more prospective customers for the purpose of making sales – [False] Answer- Personal selling
3. A brand or part of a brand that is given legal protection is called trademark. [True]
4. Grading refers to producing goods of predetermined specifications. [False]
Answer-Standardisation.
5. Exchange mechanism is the feature of marketing that involves exchange of products and services for money or something considered valuable by the people. [True]

Choose the correct answer

1. It is selling of a product by an individual to another individual or group of individuals by establishment of an oral conversation
 - a) Advertisement
 - b) Personal selling**

- c) Public relations
 - d) Sales promotion
2. A gift is given along with the product. For example, a free set of shaving blades with after-shave lotion. Identify the type of sales promotion
- a) Quantity Gift
 - b) Product combinations.**
 - c) Usable benefit
 - d) sampling
3. All the different types of activities and programmes undertaken by a business firm to create a good image in the eyes of various stakeholders is known as _____
- a) Advertisement
 - b) Personal selling
 - c) Public relations**
 - d) Sales promotion
4. The public relations department has to deal with government officials and different ministers in charge of corporate affairs, industry, finance with respect to policies relating to business and economy. The public relations department has to be really proactive in promoting or decoding regulations that affect them. Identify the functions of public relations department.
- a) Press relations
 - b) Counselling
 - c) Corporate communication
 - d) Lobbying**
5. It assumes that in the long run an organisation can achieve its objective of maximization of profit by identifying the needs of its present and prospective buyers and satisfying them in an effective way. Identify the marketing management philosophy.
- a) Product Concept
 - b) Sales Concept
 - c) Marketing Concept**
 - d) Production Concept

Give one word or one sentence to the following questions:

1. Is there a true exchange mechanism in the following case:

Kiran was a book seller. One day she was selling books. She approached a person who was sitting on a pavement. She offered her a book and found that he was not having enough money to pay. So, she willingly gave her the book without taking money.

Answer:

No, it is not a true exchange mechanism as both the parties should be capable of giving something of value to each other.

2. Identify the marketing management philosophy involved in the following cases:

- a) Geetika scooters are the leading manufacturers of scooters in the industry. They have the first mover advantage in the industry. When they started manufacturing scooters no other company was doing it. They manufacture scooters and the middle class purchases them in a high number. With each passing year the number of scooters sold is increasing. The company's main concern usually is to produce maximum number of scooters. Company's profit is governed by the maximum number of scooters they produce.
- b) Aman microwaves produce microwaves but they do not try to understand the needs of the customers. Their main focus is always on the quality of the product but never on customer requirement. They try to include as many features as possible in their product. This year they have added a special type of alarm in their product which is a unique feature. The alarm is available in ten varieties. However, the customers say that the product is not of much use to them as it consumes a lot of electricity.
- c) Ravi coolers is a very progressive company. The owners of the company feel that unless and until they contribute to society it is worthless to exist as a company. In a recent move by the government the organisation has decided to help it. The organisation will be making five teams of hired environmentalists from foreign countries. This team will help the local people clean the portions of a polluted river in the country. The costs of this project will be borne by the company.
- d) Rajesh is a manager in a company. His main area of focus is to generate revenue for the company through repeated sales. He decides to develop a product for the company which can generate revenue in the long run. For this he meets a team of R&D (Research & Development) of his company. After a long meeting they decide to do survey. Based on the survey a product is made to fulfil needs of the customers. The product later produces a lot of revenue through repeated sales in the long run.
- e) A company decides to do promotion for a new chips flavour. For this purpose, many contests are organized in different colleges. The youth is the target market for the chip's makers. However, there hasn't been proper research about the liking of the flavour among the youth. The company has launched this product based only on intuition. The company has decided to go ahead with the promotional campaign even if there is a negative response from the buyers.
- f) Aakriti foods is making a great impact in the food industry. The top management of the company has been in news for helping the villagers in the rural areas grow their income. They have made alliances with groups of people

of different villages. They procure handmade food products from them and help these products find a way to the elite class of metro cities. The company has its motto of replacement of the western taste with that of Indian among the elite class. The company is very intelligent to see a high paying elite class as the target segment.

- g) A company is manufacturing a new type of helicopter for the rich people. The helicopters manufactured are patented products of the company. No other company has made this type of helicopter yet. The company says since the helicopter is unique the booking of the product is done in advance by the buyers. There has been demand in excess. The company is in no need to market its product. It has to see that it can make the helicopter available to people who can buy it.
- h) An Air Conditioner manufacturing company is busy these days in adding features to its products. This is being done to increase its customer base. The company has not done any research to see which types of features are liked and which are in excess. It is only making its product loaded with new features. The needs of the customers are not considered. When asked why they are not doing proper research to know the expectations of the customers they replied that they have full faith on the performance of their Air Conditioners.
- i) A company which deals in apparels has decided to clear its stock. The company has a huge pile of clothes to be cleared across its various branches. The company has decided to give discount on its products. It even has decided to go for various fashion shows in different colleges. It has also decided to sponsor a few events. However, people say that the clothes are not much of current fashion and the company is not considering the choice of the customers.
- j) An automobile company is a leading manufacturing company in its segment. The company has decided to launch fully solar charged vehicles. This technology will cost the company Rs 2000 crores annually. When the relationship manager of the company was asked about the reason of bearing so much extra cost he replied that the company considered environmentally friendly techniques as the only solution to increasing pollution. The company feels by bearing extra cost it is fulfilling its responsibility.

Answer:

- a) Production concept
- b) Product concept
- c) Societal marketing concept
- d) Marketing concept. Since the word 'sales' has been used do not confuse it with the selling concept. Here customer needs are understood by the organisation.
- e) Selling concept. Though here the word promotion is used it doesn't mean that the company is applying the marketing philosophy. The product is not launched after analysing the tastes and preferences of the potential customers.

- f) Marketing concept. Do not confuse it with Societal Marketing concept. The main purpose of the company is not social welfare it is only maximization of profit.
- g) Production concept. Since the product is being sold on availability and affordability of the product.
- h) Product concept
- i) Selling concept
- j) Societal marketing concept

3. A garment manufacturing company has decided to identify the needs of the customers to start successful marketing of the garments produced by it and for this the company is doing SWOT analysis (Strength, Weakness, Opportunity and Threat Analysis). The company is pursuing its objectives with full efforts. It has decided to make a blueprint for the amount of production it will do, the efforts behind promotion it will put and all other major actions it will undertake to achieve its objectives. However, the company has one weak area which it would like to improve. The physical movement for its prepared garments was not proper last year and the company wants to ensure it is done properly this year. For this thing to be done properly it has created a separate department. Hope the company does better in future. Which functions of marketing have been highlighted in the above case?

Answer:

The functions of marketing highlighted in the above case are:

1. **Gathering and analysing market information.** A garment manufacturing company has decided to identify the needs of the customers to start successful marketing of the garments produced by it and for this company is doing SWOT analysis (Strength, Weakness, Opportunity and Threat Analysis).
2. **Marketing Planning.** It has decided to make a blueprint for the amount of production it will do, the efforts behind promotion it will put and all other major actions it will undertake to achieve its objectives.
3. **Transportation.** The physical movement of its prepared garments was not proper last year and the company wants to ensure it is done properly this year.

4. Atul was a pen manufacturer. He used to make ball point pens in a small factory in the basement of his house. Daily he would go to the market place and distribute pens to the retailers. Some of the pens were sold by him of his own by meeting persons on road. He had not kept any name for his pens. They were just blue, black and red pens. One of his friends suggested him to keep a good name for his pens. He kept his own name and started selling pens with the name of Atul Pens. Then there were three categories of pens – Atul Red, Atul blue and Atul black. Gradually his business started to pick up even more and he made good revenue.

1. Which function of marketing is highlighted in the above case?
2. Which element of promotion mix has been highlighted in the above case?
3. Which are the two types of names used in the above case?

4. Which of the above two identified names was better? Why?

Answer:

1. The function of marketing highlighted in the above case is Branding (One of his friends suggested him to keep a good name for his pens).
 2. The element of promotion mix which has been highlighted in the above case is Personal Selling (Daily he would go to the market place and distribute pens to the retailers. Some of the pens were sold by him on his own by meeting persons on road).
 3. The two types of names you see in the above case are—Generic name (When he had kept no name for his pens and was just selling them as pens) and Brand name (When he had kept the name of his pens as Atul pens).
 4. Brand name was better. The reason being that people can identify products with their makers only by a name which helps in association with the product; a generic name can't differentiate between two makers.
5. Amrit is a distributor of tea. He has opened a company which deals in tea selling. He has categorized his tea to be sold into three categories: Green, Yellow and Red. His brother Ramesh on the other hand is running a mobile manufacturing company. His company strictly produces mobile according to the predetermined specifications. The mobiles of each variety are of same size, looks and performance.

1. In the above case which function of marketing has been highlighted?
2. Name the four advantages of the above highlighted function.

Answer:

1. In the above case the function of marketing which has been highlighted is 'Standardisation' and 'Grading'.
 2. The advantages of Standardisation are:
 - The buyers get standard quality products which are according to the given standards.
 - The time of buyer is saved as there is no need to inspect the product.The advantages of Grading are:
 - Grading helps in categorizing products which are not produced as per standards for example natural products like wheat, rice, etc.
 - Grading helps in getting good price for premium quality products and saves time of seller as well as buyer.
6. Identify the element of marketing mix in the following cases:
- a) Naresh bought multi gym equipment from a renowned company. The company gave a warranty period of 1 year. Naresh used to do workout on this equipment

daily. Everything was going fine till one day some problem in the wire of the equipment occurred. Naresh called the company and told them that it is still in the warranty period. A service engineer from the company visited his home and fixed the problem. Naresh was further told that the maintenance service for 1 year is free of cost. Which element of marketing mix is maintenance here?

- b) A vacuum cleaner company made a model which was of unique type. Many people purchased it. However, after a few years its production had to be closed down as the demand of the product declined with passage of time. The company took a wise decision and always kept spare parts available with it. This was done to maintain the specific type of vacuum cleaners made by it. So, if the customers who had purchased this vacuum cleaner could buy the spare parts if in case they wanted to repair or run the cleaner properly. Which element of marketing mix is 'spare parts' here?
- c) 'Zero Errors' is a mobile manufacturing company. The mobiles are of high quality and are in demand. The company has decided to increase its customer base by initiating a liberal credit terms to the potential customers on one of its mobile models. A mobile that cost Rs 40,000 mobile can now be purchased through credit and the instalments to be paid will be 10 of Rs 4,000 each. It is expected that this way many people can afford the pricey model of the mobile. Which element of marketing mix is 'credit terms' here?
- d) A noodle manufacturing company has started a campaign where it will be going to different schools during the class timings. During this time free samples of noodles will be distributed to the students and the teachers. The idea is to make them aware about the taste and the quality of the product in advance. The company is taking this initiative as it has in the past given very good results to its other products. Through free samples it will develop first contact of its noodles and its goodness with the potential customers. Which element of marketing mix is 'free samples' here?

Answer:

- a) Maintenance here is an extended form of Product. So it is a product.
b) Spare parts come under Product.
c) Credit terms come under Price.
d) It is Promotion. Don't confuse it with Product. The reason is it is type of the promotional activities taken up by the company.

7. 'Hayaram' is a famous chain selling a large variety of products in the Indian market. Their products include chips, biscuits, sweets and squashes. It charges a comparatively higher price than its competitors as it sells quality products. Besides, it offers regular discounts to its customers and easy credit terms to its retailers. It has five of its own retail shops. It also sells its products through various grocery stores so that the products are made available to customers at the right place, in the right quantity and at the right time. It regularly uses different communication tools to increase its sales.

The above para describes the combination of variables used by Hayaram to prepare its market offering. Identify and explain the variables.

Answer:

The combination of variables used by 'Hayaram' to prepare its market offering is termed as 'Marketing Mix'.

The marketing mix include the following four points:

- Product
- Price
- Place and
- Promotion.
- **Product.** Product means anything of value that is offered to the market for sale. Product consists of the physical product, its quality, brand name, packaging and label.
- **Price.** It is a value that a buyer passes on to the seller in lieu of the product or service provided. It is a source of revenue for the seller. Price element includes Price, Discounts, Allowances, Credit Terms, etc.
- **Place (or distribution).** Place utility refers to the activities that are involved in transferring the ownership to customers and to make the product available at the right place at the right time. It includes modes of transportation, channels of distribution and inventory maintenance.
- **Promotion.** This element includes activities involved in informing and persuading the customers. Advertising, personal selling and sales promotions are different ways of promotion.

8. A company with an established brand name has launched a new product in the same name. This is helping the company save a lot of expenses on building reputation and giving an excellent start to the product. The new product is doing amazingly well and has caught attention of the newspapers. Since, the product is enjoying a lot of fame the company has decided to charge high prices for it, in comparison to the same product launch by competitor. The top management of the company has decided to make an advertisement campaign for the success of the product. The company need not worry about the success of the advertising campaign as the effect of the brand is enough to make the audience recall it otherwise had been there no effect of brand the product would not have got demonstrated properly. The company can expect good revenue from the product in future. The branding of this product is such that it will stand out different from other products of the competitors.

1. Which concept of marketing has been highlighted in the above case?
2. Identify the different types of this concept highlighted in the above case.

Answer:

1. The concept of marketing highlighted in the above case is ‘Advantages of branding to the marketers.
2. The different advantages of branding highlighted in the above case are:
 - **Ease in the introduction of the new product-** This is helping the company save a lot of expenses on building reputation and giving an excellent start to the product.
 - **Differential pricing-** Since the product is enjoying a lot of fame the company has decided to charge high prices for it in comparison to the same product launch by competitor.
 - **Helps in advertising and display programmes -** The Company need not worry about the success of the advertising campaign as the effect of the brand is enough to make the audience recall it, otherwise had there been no effect of brand, the product would not have got demonstrated properly.
 - **Enables marking product differentiation-** The branding of this product is such that it will stand out different from other products of the competitors.

9. Maruti Vega Ltd.’ entered into the market with coloured television and have now introduced products like audio system, air-conditioners, washing machines, etc. The company is not only offering the products but also handling complaints and offering after-sales services.

Identify the element of marketing-mix discussed here.

Answer:

Product or Product mix.

10. Sharmila is the founder of a new FMCG company. She wants her products to speak to the potential customers. For this she is working a lot on the packaging of her products. She has decided to cut down the personal selling efforts of her company by reducing the number of sales men as she wants that the packaging should speak for itself thus gaining the attention of the potential customers. She has made other efforts also. She has brought an R&D department in her organisation and has asked them to invent new types of packaging in order to increase the scope of marketing as new packaging would ensure safety, environment friendliness and attractiveness. She knows she will face a lot of competition in the market as already there are many players in the market who are ready to give challenge to her products. She wants her packaging to be such that her product should stand apart, be recognized easily and not be lost in the pool of different products in the market. Their packaging should convey their quality. The nature of the potential customers has changed over the years. They have become more demanding and informed. They have more choices now. One thing that the customers always look for in an FMCG product is the hygiene and purity; these two traits can only be conveyed to the potential customers by proper packaging. Sharmila’s perception about packaging is really noteworthy.

- a) Which concept of marketing has been highlighted in the above case?
- b) Identify the different types of this concept highlighted in the lines above.

- a) The concept of marketing highlighted in the above case is ‘Importance of Packaging’.
- b) The different benefits of packaging highlighted above are:
 1. **Self Service Outlets** -She has decided to cut down the personal selling efforts of her company by reducing the number of sales men as she wants that the packaging should speak for itself thus gaining the attention of the potential customers.
 2. **Innovational Opportunity** - She has brought an R&D department in her organization and has asked them to invent new types of packaging in order to increase the scope of marketing as new packaging would ensure safety, environment friendliness and attractiveness.
 3. **Product Differentiation**- She wants her packaging to be such that her product should stand distinct, be recognized easily and not be lost in the pool of different products in the market.
 4. **Rising Standards of Health and Sanitation** - One thing that the customers always look for in an FMCG product is the hygiene and purity; these two traits can only be conveyed to the potential customers by proper packaging.

11. In a retail store a product was contained inside boxes of dark colour. The outside surface of boxes was covered by labels which gave information about the product inside the box and by reading the labels it could also be identified what were the contents of the material. Atul was one customer who purchased this item. It was an insecticide. There was a picture of a dead insect and a signal of warning which showed that the product was poisonous and had the required killing impact on the insects thus attracting attention of Atul and helped him purchase it. As he carried the product to his house, his neighbour inquisitively asked about the product in his hand. He told him it was insecticide. On hearing the neighbour reacted negatively and said that it could be dangerous for children. He told him that there was required information printed on the box based on the directives given by the government which made it mandatory for the company to put warning.

- a) Which concept of marketing has been highlighted throughout in the above paragraph?
- b) Identify the different types of functions performed by concept highlighted in the above case.
 - a) The concept of marketing highlighted in the above case is Labelling’.
 - b) The different functions performed by label identified in the above case are:

1. **Describes the Product and Specify its Contents** - The outside surface of boxes was covered by labels which gave information about the product

inside the box and by reading the labels it could also be identified what were the contents of the material.

2. **Helps in Promotion of Products** - There was a picture of a dead insect and a signal of warning which showed that the product was poisonous and had the required killing impact on the insects thus attracting attention of Atul and helped him purchase it.
3. **Providing Information Required by Law** - He told him that there was required information printed on the box based on the directives given by the government which made it mandatory for the company to put warning.

12. Sunny Burgers has many branches throughout the country. The company believes in hiring places and giving rent to the owners of the places at highly busy places of the cities. However, the company deals with its customers on its own thus providing them freshly prepared burgers by its own staff. The company has a wide base of customers. The company has kept the nature of its channel so because of one main characteristic or nature of the product it serves. It has always tried to please its customers and for this reason the services are fast. The company has decided to launch an advertising campaign for creating awareness about its new product. The world cup of cricket is one such good opportunity where advertising can create its impact. It has even contacted the number one advertisement making company for this purpose. However, the top management is concerned about the impact as the potential customers or the prospects can't be delivered the message compulsively. So, there is one scheme the company has decided to launch where a burger will be provided with an additional cold drink on all days of the first week of the month.

1. Which channel of marketing is highlighted above?
2. Which product related factor do you think is responsible for this selection of channel?
3. Which one component of physical distribution is affected due to the fast services given by the company?
4. Which merit of advertising has been highlighted in the above case?
5. Which one limitation of advertising has been highlighted in the above case?
6. Identify the type of sales promotion tool used by the company.

Answer:

1. The channel of marketing highlighted above is 'Zero Channel' or 'Direct Channel' (However, the company deals with its customers on its own thus providing them freshly prepared burgers by its own staff).
2. The product related factor which is responsible for the selection of zero channel is 'perishable' (The company has kept the nature of its channel so because of one main characteristic or nature of the product it serves).
3. The component of physical distribution which is affected by fast services is 'order processing' (It has always tried to please its customers and for this reason the services are fast).

4. The merit of advertising highlighted in the above case is 'mass reach' (The world cup of cricket is one such good opportunity where advertising can create its impact).
5. The limitation of advertising which has been highlighted in the above case is 'Advertising is less forceful' (However, the top management is concerned about the impact as the potential customers or the prospects can't be delivered the message compulsively).
6. The company has decided to use 'product combination' as the sales promotion technique to increase its sales (There is one scheme the company has decided to launch where a burger will be provided with an additional cold drink on all days of the first week of the month).

15. A company is ready to try various sales promotion activities. It has seven products and for every product it decides to go for a different sales promotion activity. Since the company is an FMCG company the seven goods are Biscuits, Noodles, Chocolate, Milk powder, Detergent powder, Cold drink and Soap. The company has decided to go for providing four extra biscuits for a packet of ten biscuits leading to a total of fourteen biscuits in a packet now. The product head of Noodles is also excited about this scheme. However, he tries something different. He allows the customers to have a take back of Rs. 1 after depositing the used wrapper of the product. The product head of Chocolate goes for another scheme. He offers a surprise gift in the form of a printed code on the inside of the wrapper and this printed code has to be sent through a message and the winner will get a gold coin. For Soap, its product head has an entirely different idea. The company will go to schools, colleges and arrange quiz competitions there and the winners will get prizes in the form of a bucket full of this soap in various sizes of 50 gm, 100 gm and 150 gm. The product head of detergent powder has decided to go for a 25% reduction in the price of the detergent powder. Cold drink has been the most successful product of the company till date. To make it more successful the company has decided to go for a combination of a free packet of chips of 100 gm with a cold drink bottle of 3 litres. Definitely the last product head doesn't want to get left behind he wants to please the house wives as they generally are the deciders in making the decision to buy milk powder. On his recommendation free samples of small size of milk powder are to be distributed in the residential areas to create more awareness about the product. Identify the various sales promotion techniques applied by the FMCG Company to make its products successful.

Answer:

The sales promotion activities highlighted in the above case are:

1. **For Biscuits:** Quantity Gift as extra amount is being given at the same price. The company has decided to go for providing four extra biscuits for a packet of ten biscuits leading to a total of fourteen biscuits in a packet now.
2. **For Noodles:** Refunding as a part of price is being returned on presenting wrapper as a proof of purchase. He allows the customers to have a take back of Re. 1 after depositing the used wrapper of the product.

3. **For Chocolates:** Instant Draw and Assigned Gift as the prize is assured in an instant after entering the code. He offers a surprise gift in the form of a printed code on the inside of the wrapper and this printed code has to be sent through a message and the winner will get a gold coin.
4. **For Soaps:** Contests-The company will go to schools, colleges and arrange quiz competitions there and the winners will get prizes in the form of a bucket full of this soap in Various sizes of 50 gm, 100 gm and 150 gm.
5. **For Cold drinks:** Product combination as with cold drink another product 'a packet of chips' is offered. To make it more successful the company has decided to go for a combination of a free packet of chips of 100 gm with a cold drink bottle of 3 litres.
6. **For Milk powder:** Sampling as free samples are to be distributed to the potential target customers housewives in this case. Free samples of small size of milk powder are to be distributed in the residential areas to create more awareness about the product.
7. **For Detergent powder:** Discount. The product head of detergent powder has decided to go for a 25% reduction in the price of the detergent powder.

16. 'Khubsoorat' is a company which sells beauty products. The company has been the market leader in this segment for the last ten years. However, the sales of its fairness cream have come down due to cases of allergic reactions reported by the users from different parts of the country. The company has been able to make amendments to the formula to make their product safe for everybody. Its incapability to communicate with its customers has resulted in the loss of its brand value.

1. Which element of promotion mix should the company use to regain its lost image?
2. Discuss two marketing objectives of this element,

Answer:

1. The element of promotion mix which the company should use is Public Relations.
2. The two marketing objectives of Public relations are:
 - Stimulating sales force. When the sales force is convinced about the good quality of the product they find it easy to convince the potential buyers to buy it.
 - Lowering promotion costs. Public relations acts as a cost-effective supplement to advertising. Thus, it helps in reducing the overall burden of cost of the company.

17. Identify the function performed by the public relations department / mentioned in the following cases:

1. An innovative organisation involved in the manufacturing of electronic products launches its products in the trade fair every year. This is done to gain attention of the general public towards the quality and technology of its products.
2. An FMCA company involved in the production of more than two hundred products has very good relations with the top 5 News Channels. This gives a great support to the company when it comes to generating positive image in the eyes of the public.
3. A multi-national company has presence in five continents and thirty countries. The company manages good relations with the top officials and the ministers of these countries. This helps the company to keep an eye on the various possible changes in the laws of the land and their execution.
4. Ramesh who is the head of the Public Relations department of a well-established company utilises PR tools like Brochures, Annual reports, Newsletters etc. He ensures that the top-level managers of the company connect with TV channels and give interviews whenever required. All his efforts have resulted in creating a good image of the company with its target audience.

Answer:

1. Product publicity
2. Press relations
3. Lobbying
4. Corporate communication.

