

Very short answer questions

Question1. (i) Explain the advantages of branding to marketers of goods and services.

Answer: Branding implies giving a unique name, sign, symbol, or term for identification of a product. The following are the advantages of branding to the marketers:

1. Branding enables a firm to distinguish its products from the product of other firms.
2. It facilitates advertising of the product. A product with a generic name cannot be advertised.
3. Through good branding manufacturer can create loyalty of the product. Thus the firm can benefit from this and charge a different price for its products.
4. It helps in establishing the base if a new product is to be launched. This is because if a new product is launched under a good and established brand, it is expected to get a good boost and benefit from reputation of the brand.

(ii) List the characteristics of a good brand name.

Answer: A good brand name consists of the following characteristics:

1. The brand should be short and easy to spell, pronounce and remember. For example – Aashirvad, Pantene.
2. A brand should suggest the benefits or qualities of the product and also suit its functions. For example- Complan, Fair and Lovely.
3. The name should be unique as well as adaptable to packaging and labelling requirements. It should also be adaptable to different mediums of advertising and languages.
4. A brand name should be versatile and should be able to adapt to the new products if introduced under the brand.
5. It must be distinctive and capable of being legally protected.

(iii) What is societal concept of marketing?

Answer: According to societal concept of marketing the organisations must identify the needs of the market and the target consumers and deliver the desired results in an efficient manner. The organisation should identify not just the immediate needs of the market rather should aim at long –term wellbeing of the consumers. Besides consumer satisfaction, organisations should aim at ecological, ethical and social aspects such as pollution, scarcity of resources etc.

(iv) List the characteristics of convenience products.

Answer: Convenience products refer to those products that are purchased frequently, immediately and with minimum time and effort.

The following are the characteristics of a convenience product:

1. Such products are easily available at convenient places with minimum time and effort wastage.
2. Convenience products are consumed frequently and have a continuous demand. Essential commodities come under the category of convenience products.
3. They are available in small units and low and standardised prices.
4. The competition in the market for such products is high. As such, heavy advertising is required for these products.

(v) Enlist the advantages of packaging of consumer products.

Answer: Packaging refers to the process of developing and designing the container for a product.

A good packaging has the following advantages:

1. It enables differentiation and identification of a product from other products.
2. It acts as a promotional tool. Use of colours, symbols, pictures, symbols in packaging helps in attracting the customers.
3. Appropriate packaging contributes to the convenience of handling the product.
4. It helps in protecting the quality of the product from any kind of damage, spoilage, breakage etc. particularly at the time of storage and transportation.

(vi) What are the limitations of advertising as a promotional tool? Enlist.

Answer: The following are the limitations of advertising as a promotional tool:

1. It lacks personal form of communication and hence is less forceful.
2. Evaluation regarding the effectiveness of the advertisement is very difficult to conduct.
3. Advertisements come in standardised form and cannot be moulded as per requirements of different groups of people.
4. Effectiveness of advertising is low as there can be numerous advertisements.

(vii) List five shopping products purchased by you or your family during the last few months.

Answer:

1. Utensils
2. Clothes
3. Washing machine
4. Furniture
5. Grocery

Short answer questions

(I) What is marketing? What functions does it perform in the process of exchange of goods and services? Explain.

Answer: Marketing refers to the process wherein the buyers and sellers interact with each other for purchase and sale of goods and services. Earlier, marketing had different approaches with respect to its definition.

1. It was sometimes described as post- production process that involves purchasing of the final products and sometimes, as a pre-production process that involves merchandising (designing) of the product. In reality, marketing is a much wider concept than this.
2. It consists of those activities that are involved in the process of exchange of goods and services between producers and consumers.
3. These activities are basically the functions performed under marketing. It involves planning and designing of the product, packaging and labelling of the product, standardising, branding, warehousing, transportation, advertising, pricing and distribution.
4. It also includes activities that are performed even after the sale of product such as maintaining customer relations and collecting feedback.

(ii) Distinguish between product concept and production concept of marketing.

Answer:

Basis	Production Concept	Product Concept
Focus	Is on quantity of product	Is on quality of product

Means	Through availability and affordability of product	Through improvement of quality of products
Ends	To earn profits through large volume of production	To earn profits through quality of product

(iii) Product is a bundle of utilities? Do you agree?

Answer: When a customer decides to buy a product, his/her main focus lies on the utility which he/she receives while consuming it. A customer seeks different types of satisfaction from the product. Benefits derived from a product can be of three types – functional benefits, psychological benefits and social benefits.(iii) Product is a bundle of utilities? Do you agree?

- a. For instance, when a customer purchases a car, it provides him functional utility as a means of transport. He also receives psychological benefits in the form of pride and self-esteem that he has brought a car. Along with this come the social benefits in the form of acceptance by the peers.
- b. Thus a product is said to be bundle of utilities and a buyer while buying a product values all kinds of utilities.

(iv) What are industrial products? How are they different from consumer products? Explain.

Answer: Industrial products refer to those products that are used as inputs for the production of other goods. Such goods are not meant for final consumption rather they are used as raw material and inputs by the manufacturers for the production of consumer goods. For example, machine, tools etc are industrial products.

Consumer products refer to those products that are used by ultimate customers for their personal consumption. For example, toothbrush, edible oil and detergents are consumer goods.

Difference between industrial product and consumers products are as follows:

Basis	Industrial Products	Consumer products
No. of customers	Number of customers is limited. For example , oil seeds are used by the producers of mustard oil	The number of customers is higher. For example, mustard oil in home is used by large number of customers.
Channel of distribution	Such products require shorter channels of distribution such as direct selling or one level channel	These products require longer channels before they reach the final consumer. For perishable commodities it is small
Location	Industrial products remain concentrated only in those areas where industrial producing goods are located.	Consumer products are readily and conveniently available.

Demand	Demand for industrial products are derived demand based on the demand for consumer products.	Demand of consumer product is not derived demand rather sets the basis for demand for industrial products.
Role of technical features in decision making	Technical features play an important role while purchasing these products	Such products do not involve any technical complexities in manufacturing. Technical features does not have much role in decision making while purchasing

(v) Distinguish between convenience product and shopping product.

Answer: Following are the difference between convenience product and shopping product -

Basis of difference	Convenience product	Shopping product
Demand	These products have a continuous and frequent demand	These products have a relatively less frequent demand
Nature of products	Essential commodities come under the category of convenience goods	Such goods are durable in nature
Unit of purchase and price	These products are available in small units and have low unit price. These have low profit margin	These products come in bigger units and have high unit prices. Profit margin is also high.
Nature of purchase	Such products are bought without devoting much time and effort	Such products are bought by consumers after devoting much time in comparing the price , quality etc of the product.
Example	Soaps , medicines, newspapers, stationery items etc.	Jewellery ,furniture , clothes

(vi) 'Product is a mixture of tangible and intangible attributes'. Discuss.

Answer: Generally a product is referred to as a tangible asset which has physical attributes. In marketing, a product does not only have physical or tangible attribute but also intangible attributes.

In other words we can say that the decision of the customer to buy a certain product does not only depend upon tangible attributes but also intangible attributes. For example a car can be described large, red and luxurious. Large and red are tangible attribute attributes as they describe physical attribute of the car while luxurious is primarily an intangible attribute as it describes beneficial and imagery aspects of the car.

(vii) Describe the functions of labeling in the marketing of products.

Answer: In the marketing process, labelling plays an important role in packaging of the product. Label on a product provides detailed information about the product, its contents, methods of use etc. the various functions performed by a label are as follows:

1. Describe the product and specify its content: One of the most important functions of labels is that it describes the product, its usage, caution in use etc.
2. Identification of the product or brand: A label helps in identifying the product or brand e.g. we can easily pick our favourite soap from a number of packages only because of its label.
3. Grading of products: Label helps in grading the product into different categories. Sometimes marketers assign different grades to indicate features or quality of the product e.g. different type of tea is sold by some brands under yellow, red and green label categories.
4. Help in promotion of products: An important function of label is to aid in promotion of the products. A carefully designed label can attract customers to purchase that product. Some labels provide promotional messages, some show discount or other schemes.
5. Providing information required by law: Another important function of labelling is to provide information required by law. E.g. the statutory warning on the package of cigarette or pan masala - 'smoking is injurious to health' or 'chewing tobacco causes cancer'.

(viii) Discuss the role of intermediaries in the distribution of consumer non-durable products.

Answer: The term channels of distribution refer to transfer of goods from place of production to the place where they are consumed.

The following are the different functions of intermediaries in the distribution of consumer non-durable products: Arrangement: an intermediary receives the supply of goods from various sources. He then sorts these goods into homogenous groups based on their characteristics such as size, quality etc. For instance, an electronic goods seller receives supply of different electronic goods and then sorts them based on their functions.

1. Collection: An intermediary maintains large stock of goods so as to ensure easy flow of supply. For instance, an electronic goods seller maintains large stock of each type of electronic item.
2. Allocation and Packing: This function includes breaking the larger stock into smaller units. For instance each electronic and their spare parts are packed separately. Building Variety: An intermediary acquires various goods from different sources and assembles them at a single place. Thus it maintains a variety of goods. He procures the products and then sells them in different combinations as desired by the consumers. For instance, a television and a video player are preferred together by most of the people. Thus, the retail can sell a combination of both. Promotion of product: They assist in the promotion activities, undertaken by the manufacturers. For example, the manufacturers use advertising for the promotion of their product. The intermediaries can aid this process by putting banners and displays. For example an electronic goods retailer puts up banners for various products highlighting their features.
3. Mediation: Middle men perform the function of setting a deal that can satisfy both the producers and consumers. They negotiate the price, quality, quantity etc. for efficient transfer of ownership so as to satisfy the needs of both the parties.
4. Bearing risk: Risk taking is the basic responsibility of the intermediaries. Intermediaries acquire goods from the producers and keep them in their possession till the final sale. Suppose a retailer acquires large quantity of sugar. After a period of time, the price of sugar rises which reduces its demand. Thus the retailer may lose out as the stock remain unsold.

(ix) Explain the factors determining choice of channels of distribution.

Answer: The choice of channels of distribution depend upon various factors which are discussed as below:

1. Product related factors: The important product related considerations is deciding the channels. It includes whether the product is industrial product or consumer product. Industrial product require shorter channel and consumer product require longer channel.

2. Company characteristics: The two important characteristics are its financial strength and the degree of control that the company wishes to hold on the intermediaries. Shorter channels require greater funds than longer channels and offer greater control over the members of the channel. Thus companies that are financially strong or wish to command greater control over the channel of distribution opt for shorter channel of distribution. Competitive factors: The degree of competition and the channels opted by other competitors affect the choice of distribution channels. Depending on its policies a company can adopt a similar channel as adopted by its competitors or adopt for a different channel. For example, if the competitions opt for sale through retail sale, it may also do the same or it can opt for direct selling.
3. Environmental factors: Environmental factors such as economic constraints and legal policies play an important role. For example, requirement of complex. Legal formalities at each step of distribution induces the company to opt for shorter channels.
4. Market factors: In depressed economy, marketers use shorter channels to distribute their goods in an economical way.

(x) Explain briefly the components of physical distribution.

Answer: The main components of physical distribution are:

1. Order processing - Processing of order comprises number of steps such as placement of order, transmission of order by the intermediaries to the manufacturer, maintenance of inventory as per requirement, delivery of goods etc. As all such processes take time a physical distribution system should be such that it should ensure speedy and proper order processing.
2. Transportation of products - Transportation of goods refers to physical movement of goods from the place where they are manufactured to the place where they are consumed. To make the goods physically available to the consumers they must be transported from the place of production to the place of consumption.
3. Warehousing - Warehousing refers to the process of storing the produced goods before the final act of sale. If a company has a larger number of warehouses, it will be able to readily provide goods on time at different locations. Maintaining warehouses involves costs.
4. Maintenance of inventory - The firms maintain inventory so as to ensure timely supply of products. Similar to warehousing, maintenance of inventory shares a positive relation with customer service.

(xi) Define advertising. What are its main features?

Answer: Advertising can be defined as the paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor.

Following are the important features of Advertising: Non-Personal: Advertising is a non-personal form of presenting information regarding a product, service or idea. There is no face to face contact. The advertisement is directed to a large number of persons simultaneously. Identified Sponsor: Advertising is done by an identified seller or the manufacturer who makes efforts for getting the product or service advertised and also bears all its costs. Paid form: Advertising is a paid for of communication. Sponsor has to bear the cost of advertising the product to the target customers.

(xii) Discuss the role of 'sales promotion' as an element of promotion mix.

Answer: Sales promotion refers to the incentives that are offered to the buyers so as to encourage them to purchase the product. It includes activities such as offering discounts, gifts, free samples etc. Such activities supplement other promotional activities undertaken by the company such as advertising and direct selling. They increasingly attract the customers and induce them to immediately purchase the product. Such activities are especially useful at the time of the launch of the product. They bring an initial boost to sales.

Following sales promotion techniques employed by manufacturers are:

Samples: Free samples are distributed in small packs to stimulate consumers. It can be done on a door-to-door basis, by demonstrations or inserting in another packet containing a similar product. For example, shampoo pouches are given free with tooth paste.

Coupons: Sometimes in the packet of a product there will be a discount coupon for the next purchase. For example, Reliance Textiles distribute discount coupons to their shareholders. Discount coupons are also printed in certain advertisements appearing in magazines. They have to be presented to the retailer while buying the product. Product combinations: Offering another product free, as a gift, with the purchase of a product, e.g., a milk shaker along with Nescafe, or mugs with Bournvita, or a pen stand along with a packet of chips. They are effective in getting new consumers for the product. Such incentives are opted by companies to attract more customers and boost its sales.

