

# NCERT Solutions for Class 12 Business Studies

## Chapter 10 – Marketing

### Very Short Answer Type:

1.

**State any two advantages of branding to marketers of goods and services?**

**Ans:** The following are some benefits of branding for product and service marketers:

1. It enables a company to differentiate its goods from those offered by its competitors.
2. When a product is branded, it will become well-known to consumers and draw in new clients. Branding facilitates product promotion.

2.

**How does branding help in differential pricing?**

**Ans:** A brand name helps customers perceive the quality of a product. Customers can use it to distinguish between products from various companies. Marketers can charge different rates, and if an organization has a strong brand image, it can charge higher rates.

3.

**What is the societal concept of marketing?**

**Ans:** The social concept of marketing is the idea that an enterprise should identify its target customers and the market's needs. It makes it easier to transport products & offerings efficiently. Through their products, businesses should address the long-term needs of their customers and prioritize their well-being.

4.

**List the characteristics of convenience products.**

**Ans:** Convenience products are those that are readily available, frequently purchased, and require little work. Convenience items have the following qualities:

1. Products are readily available and require little time or effort. Additionally, the products are situated in handy locations.
2. There is a constant demand for these products, and they are regularly eaten. Convenience items are categorized as essential commodities.
3. Convenience goods come in small product units and at affordable prices.
4. These products have considerable competition and require a good quantity of advertising.

5.

**Enlist the advantages of packaging of consumer products.**

**Ans:** The process of creating a product's container is known as packaging. It offers the following benefits:

- It makes it possible to differentiate products.
- It functions as a promotional tool by utilizing various colours, symbols, and images.
- The handling of products is made more convenient.
- It keeps the goods from breaking or spoiling while being stored and transported, protecting their quality.

6.

**What are the limitations of advertising as a promotional tool?**

**Enlist.**

**Ans:** The disadvantages of employing marketing as an advertising technique are as follows:

1. It appears to be more restrained as it features little one-on-one interaction.
2. It is challenging to assess how effective advertising is.
3. The format of advertisements is standard and cannot be altered to meet the needs of various customer groups.
4. Because there may be more ads, the effectiveness is low.

7.

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

**Ans:** The following products were purchased:

1. Laptop Accessories
2. Watch
3. Mixer Grinder
4. Electric Iron

## 5. Clothes

8.

**A marketer of colour TV having 20% of the current market share of the country aims at enhancing the market share to 50 per cent in next three years. For achieving this objective he specified an action programme. Name the function of marketing being discussed above. (Ans. Marketing planning.).**

**Ans:** Creating a suitable marketing plan that will aid in accomplishing the goals is the most crucial task a marketer must undertake. The implementation of marketing planning is necessary in this case to determine which methods should be used to accomplish the goals.

### **Short Answer Type:**

1.

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

**Ans:** The process through which buyers and sellers engage in the acquisition of products and services is known as marketing. Various strategies are used in marketing, which occasionally incorporate pre- and post-production procedures.

The following tasks are carried out by marketing in the trade of products and services:

1. Planning
2. Designing the product
3. Packaging
4. Labelling
5. Branding
6. Warehousing
7. Transportation
8. Support services

2.

**Distinguish between the product concept and production concept of marketing.**

**Ans:**

<b>Basis of Comparison</b>	<b>Product Concept</b>	<b>Production Concept</b>
Belief	Customers desire superior goods according to the product idea, and increasing the quality of the item can increase revenues.	According to the production philosophy, consumers would like easily accessible and reasonably priced items. Therefore, raising the output volume can maximize profits.
Focus of the business	Enhancing the product's quality and adding additional features were the primary areas of attention.	Improving production quantity and lowering production costs were the main priorities.
Methodology	The main focus was on improving features and product quality.	The main emphasis was on production efficiency.

**3**

**Product is a bundle of utilities. Explain.**

**Ans:** When a buyer buys a product, they anticipate the amount of utility it will provide. Consumers look for a variety of benefits from a product, including functional, psychological, and social ones. Given the numerous advantages of purchasing the product, it can be concluded that it is a collection of utilities.

**4.**

**What are industrial products? How are they different from consumer products? Explain.**

**Ans:** Industrial items are those that are utilized as raw materials to make other products. While consumer products are those that consumers use for consumption, these goods are utilized as raw materials to produce completed goods.

The differences between consumer goods & industrial products are as follows:

<b>Basis of Comparison</b>	<b>Industrial Products</b>	<b>Consumer Products</b>
Number of Customers	The customer number is limited. For example, oil-producing seeds are not purchased by many.	There is a larger consumer base that requires the finished good. For example, the oils produced from seeds have many customers.
Channel of Distribution	These products demand shorter distribution channels.	Depending on their type, these products need to go via both short and long distribution routes before they can reach the final consumer.
Location	It is concentrated in regions with industries that need these kinds of goods.	Local retailers have easy access to these products.
Demand	Demand for consumer products serves as the foundation for demand for industrial products.	The demand for industrial products is set by consumer products.
Role of Technical Features in Decision Making	Technical aspects are crucial while making decisions.	Because consumer items lack technical intricacy, technical features don't play a part in decision-making.

5.

**Distinguish between convenience product and shopping product.**

**Ans:**

<b>Basis of Comparison</b>	<b>Convenience Product</b>	<b>Shopping Product</b>
Demand	Consumer interest in these types of products is steady.	These products have less demand compared to convenience products.

<b>Basis of Comparison</b>	<b>Convenience Product</b>	<b>Shopping Product</b>
Nature of Products	It comprises goods that are classified as essential commodities.	Includes durable goods.
Unit of Purchase and Price	It is accessible in tiny quantities with inexpensive unit costs and, as a result, a limited profit margin.	Products come in larger quantities and cost more per unit, which increases profit margins.
Nature of Purchase	These items are bought impulsively & without any consideration or work.	Consumers spend considerable time purchasing these products.
Example	Stationery items, groceries, and chocolates	Car, furniture, jewellery

6

**Describe the functions of labeling in the marketing of products.**

**Ans:** Branding is a crucial stage in the packaging procedure. It gives customers a basic knowledge of the item’s function. The following are the purposes of labelling:

1. It gives a brief overview of the product, including usage instructions, cautions, and application.
2. It facilitates simple product identification. It facilitates product differentiation for customers.
3. It facilitates the simple division of a single product into several groups.
4. It aids companies in product promotion. A product can be effectively promoted by using attractive labelling.
5. It offers the information about the product that is required by law.

7.

**Discuss the role of intermediaries in the distribution of consumer non-durable products.**

**Ans:** Using proxies is a crucial part of product advertising. They facilitate the movement of commodities from the manufacturing facility to the end users. The following tasks are carried out by intermediaries while dealing with non-durables:

1. Assigning items to uniform groups according to their attributes.
2. Keeps a sizable inventory of products to guarantee a steady supply.
3. Dividing larger equities into smaller ones.

4. Keeping a range of items in one location.
5. Assisting producers with product promotion using banners and display boards.
6. By serving as a go-between and settling the agreement by negotiating the product price to ensure satisfaction for both the manufacturer and the customer.
7. Purchasing products from producers, storing them securely, and taking on the risk of market swings.

8.

**Explain the components of physical distribution briefly.**

**Ans:** Transferring commodities from the place where they are manufactured to the spot of intake is known as physical transmission. The following are the elements of physical distribution:

1. Order processing: Order processing includes actions like placing an order, transmitting an order, maintaining inventory, and delivering items, among others. A physical distribution system must guarantee correct order processing because such procedures take more time. Orders processed accurately and promptly can result in happy clients.
2. Product transportation: The actual moving of items from the manufacturing facility to the customers is known as product transportation.
3. Warehousing: This is the practice of keeping the products that are acquired from producers in storage before being offered for sale to consumers. Goods that can be put on the market are readily available in warehouses.
4. Inventory control: Keeping inventory under control ensures a timely supply of goods and fosters customer happiness. Since stock upkeep is costly, a company has to reconcile supply with customer satisfaction.

9.

**Define advertising? What are its main features? Explain.**

**Ans:** One method of product promotion is advertising. Advertising is a tool used by businesses to draw clients to their goods and close a deal. Newspapers, television, the internet, social media, magazines, and so on are the most widely used advertising channels. The following are some crucial aspects of advertising:

1. Advertising is a type of product or service promotion that is paid for. The cost of advertising is paid by the sponsor.
2. It is a communication method that is impersonal. There is no in-person interaction between the advertiser and the consumer, leading to a lack of personal touch.
3. Some sponsors prefer to create an advertisement and cover the associated expenses.

10.

**Discuss the role of 'sales promotion' as an element of promotion mix.**

**Ans:** Incentives known as sales promotions are occasionally provided to boost product sales. Besides other benefits, freebies, price reductions & giveaways are common advertisements for sales. These programs support the business's other marketing endeavours, such as direct selling & publicity. Purchases are influenced by these promotions. Sales promotional activities can increase sales during the launch of a new product.

11.

**As the marketing manager of a big hotel located at an important tourist destination, what societal concerns would be faced by you and what steps would you plan to take care of these concerns? Discuss.**

**Ans:** The following social issues will be encountered by the marketing manager:

1. Companies must distance themselves from environmental pollution-causing operations.
2. The cost of the services offered by the hotel should be affordable.

The steps that follow can be taken by leadership to resolve these problems:

1. The manager can ensure that hotel waste is handled properly to address the pollution problem. Trash should be disposed of according to its type, such as moist or dry.
2. Items sold within the hotel's grounds cannot be priced higher than their maximum retail price.

12.

**What information is generally placed on the package of a food product? Design a label for one of the food products of your choice.**

**Ans:** The following details are most frequently included in food packaging:

1. Cell number for customer service or grievance
2. Name of the product
3. Name of manufacturer and plant address
4. The product's logo
5. The items' ingredients
6. Usage instructions and preparation
7. Features of the product

8. Exercise caution (if necessary)

13.

**For buyers of consumer durable products, what 'customer care services' would you plan as a manager of a firm marketing new brand of motorcycle. Discuss.**

**Ans:** The customer care services for motorcycle marketing are as follows:

1. Support for two-wheeler insurance schemes
2. Assistance with EMI transactions
3. Endorsement of an extended guarantee for bicycles
4. Zero-interest financing programs
5. Maintenance notifications

### **Long Answer Type:**

1.

**What is marketing concept? How does it help in the effective marketing of goods and services.**

**Ans:** A component of marketing management that prioritizes client satisfaction is the marketing idea. It is the conviction that any business's ability to satisfy its customers is essential to its success. If a company solely recognizes the demands of its clients and strives to meet those needs, it can expand.

A customer-centric firm will maximize earnings. The marketing idea is that consumers buy a product to meet a need, which could be psychological, social, etc. Therefore, the company must consider the demands of the client in all of its decisions. Since the marketing idea emphasizes the client, the customer will be the focus of all marketing-related efforts for goods and services.

2.

**What is marketing mix? What are its main elements? Explain.**

**Ans:** A company's toolkit for promoting its brand or product in the marketplace is known as the marketing mix. A business's success is influenced by its marketing tools. The four Ps of the marketing mix are product, pricing, venue, and promotion, explained in further depth below:

1. **Goods:** An item of goods is an object or service that fulfils the demands of the customer and offers significance. Only when the good satisfies the demands of the consumer will it succeed. Additionally, it must offer adequate amenities & marketing assistance.

2. **Price:** Cost is an additional element in the advertising equation. This phrase refers to the money that customers spend on any service or product. For customers, price is a crucial consideration. It has an impact on a product's demand. Demand declines as prices rise, and vice versa. Businesses should evaluate several aspects that will be appropriate for establishing the product's price. Target clients and the pricing strategies of rivals should be taken into account when setting prices. A product's set pricing should be perceived by the consumer as appropriate for the product.
3. **Location:** A business must choose the location where it will offer its goods to clients, in addition to the product and price. A company has to locate the right dealers and distributors for its products. The location of the warehouse, inventory storage, and product transportation are further crucial options that might be made.
4. **Promotion:** Operations that employ multiple strategies, such as banners, advertisements, sales, and online marketing, are to alert consumers regarding the availability of an item. To achieve the greatest possible reach, the organization should carefully consider the promotion medium.

3.

**How does branding help in creating product differentiation?  
Does it help in marketing of goods and services? Explain.**

**Ans:** The process of giving a product a completely original name, symbol, and logo so that the consumer can quickly recognize it is known as branding. Businesses use branding to differentiate their products from similar ones on the market by employing names, symbols, and logos.

Apart from aiding in product differentiation, branding also aids in the promotion of goods and services. The following arguments emphasize how crucial branding is to the promotion of goods and services.

1. Branding aids a company in promoting its products, and advertising is only feasible when product branding is completed. The advertisement will be made for the entire product class without branding.
2. Branding encourages customer loyalty. Businesses can take advantage of this loyalty to set prices that set them apart from their rivals. Because they are devoted to the brand, the customer will be prepared to pay more for the product.
3. Building a base through branding aids in promoting a new product that the company produces. When a well-known brand launches a new product, consumers are more likely to test it because they already have a strong brand loyalty.

4.

## **What are the factors affecting determination of the price of a product or service? Explain.**

**Ans:** The price is the sum of money that buyers must pay to purchase a product. The market's demand for the goods will be influenced by their price. Price is also crucial for product promotion. Any alteration to the price will affect the company's sales and earnings. Businesses that manufacture comparable products will compete with one another in the market based on the product's price.

The following elements affect any goods or services:

1. The ultimate price is heavily influenced by the good's value. The goods' price will encompass the costs of manufacturing, shipping & marketing. The price of an item can be categorized as semi-variable, fluctuating, or constant. Fixed expenses represent one-time expenditures that remain constant regardless of output, whereas cost variables, such as personnel and supplies, vary with performance. Semi-variable costs change in proportion to production level, but they do so in different ways. As a result, a company must record all of these expenses before setting a product's price to generate money from sales.
2. A company must also assess the market's demand for a product to set its price. The idea of demand elasticity is crucial for calculating demand. It describes the percentage change in demand for a product brought about by a matching change in the product's price. If a little change in price results in a significant change in demand, the demand is said to be elastic. A business cannot charge a high price in such a scenario since it will cause the demand for the product to decline. A price change won't have a significant impact on demand if it is inelastic.
3. The company cannot raise the price of the product if there is greater competition in the market because doing so will drive customers to the competitors. In a similar vein, a business with little to no competition may charge a premium.
4. In the interest of the general public, the government may occasionally interfere with the price process.
5. Every company will have a different pricing goal. The following are some of the goals of pricing:
  - i. Businesses seek to maximize profits; they may have a short-term or long-term goal to do so, and in such a scenario, their pricing strategy will reflect that goal.
  - ii. A company would offer a lower price than its rivals in an attempt to gain a larger share of the market.
  - iii. When there is fierce rivalry, a company will lower its pricing to appeal to customers.
  - iv. Businesses that prioritize high-quality products may charge more.
6. The price will also depend on the firm's marketing strategies. The pricing is set by the branding and advertising campaigns used in the marketing strategies. Prices will be high if an advertising campaign is undertaken with a larger budget

5.

**What do you mean by channels of distribution? What functions do they play in the distribution of goods and services? Explain.**

**Ans:** Institutions, agents, or people who assist in the distribution process are known as channels of distribution. Customers are dispersed over wide areas, making it impossible for enterprises to reach them all at once. In this instance, the customers will be able to make the goods available using these distribution channels. The following are the roles of the distribution channels:

1. A variety of sources supply products. However, the commodities may vary in size and shape, and the intermediary must handle them according to their features.
2. To guarantee a sufficient supply, a middleman will gather and store the separated products.
3. Another middleman packs the goods into units.
4. Retailers and other intermediaries will maintain an inventory of various goods to sell to customers.
5. By providing sales promotions, retailers will assist producers in advertising the goods.
6. The middlemen serve as a conduit between the manufacturer and the buyer.
7. The risk of keeping products in unpredictable or low-demand circumstances also rests with intermediaries.

6.

**Explain the major activities involved in the physical distribution of products.**

**Ans:** Transferring commodities from the place where they are manufactured to the location of demand is known as physical dispersion. The following are the main tasks associated with product physical distribution:

1. **Order processing:** Order processing includes actions like placing an order, transmitting an order, maintaining inventory, and delivering items, among others. A physical distribution system must guarantee correct order processing because such procedures take more time. Orders processed accurately and promptly can result in happy clients.
2. **Product transportation:** The actual moving of items from the manufacturing facility to the customers is known as product transportation.
3. **Warehousing:** This is the practice of keeping the products that are acquired from producers in storage before being offered for sale to consumers. Goods that can be put on the market are readily available in warehouses.
4. **Inventory control:** Keeping inventory under control ensures a timely supply of goods and fosters customer happiness. A business must strike a balance between inventory and client happiness because inventory maintenance is expensive.

7.

**'Expenditure on advertising is a social waste.' Do you agree?**

**Discuss.**

**Ans:** Spending on advertising is viewed as social waste for several reasons, including the fact that it raises the company's production costs and boosts consumer demand for similar goods. The following considerations will assist in assessing whether or not advertising is a social waste.

1. Since advertising is quite expensive, companies pass this expense on to customers when setting the product's price. However, the evident benefit is that by raising consumer demand for the goods, advertising can aid in cutting production costs.
2. The main way that advertising affects society is by eroding societal values and encouraging consumerism.
3. Because there will be so many variations of the same product on the market, advertisements are claimed to confuse consumers. Consumers struggle to decide which brand to purchase.
4. Both high-quality and low-quality products are advertised. Once more, the definitions of excellent and terrible quality will differ depending on the individual.
5. Advertisements are accused of undermining social norms by employing language, gestures, actions, pictures, and content that not all societal segments find acceptable. The same concept will apply once more: what one person considers bad may be viewed as excellent by another.

8.

**Distinguish between advertising and personal selling.**

**Ans:**

<b>Basis of Comparison</b>	<b>Advertising</b>	<b>Personal Selling</b>
Personal vs. Impersonal	Since the buyer and vendor communicate via media like newspapers, social media, television, etc., advertising is an impersonal method of communication.	Personal selling is a direct and intimate communication method between a buyer and a seller.

<b>Basis of Comparison</b>	<b>Advertising</b>	<b>Personal Selling</b>
Reach	Advertisements reach a broader audience; hence, the reach of advertising is large.	Personal selling has a reach that is comparatively narrower than advertising, as very few people can be approached directly.
Flexibility	Marketing can never be customized to satisfy the demands of various clients since it is created in a uniform manner.	Because the marketing pitch may be tailored to suit every customer's particular wants & characteristics, individual marketing is considerably more flexible than commercials.
Target Group	Advertising works well in situations where a big client base needs to be reached.	Compared to advertising, personal selling works well when marketing is intended for a smaller clientele.
Cost Involved	Compared to personal selling, the cost of advertising per individual is minimal because of its widespread reach.	Personal selling is more expensive per person than advertising since mass reach is not available.
Time Involved	A large number of customers can be reached through advertising at a time; therefore, the time required to cover the market will be less than compared of personal selling.	A smaller number of customers can be reached through personal selling at a time; therefore, the time required to cover the market will be more as compared to advertising.
Customer Feedback	It is impossible to assess client comments and emotions via advertisements.	Since personal selling involves direct communication between the buyer and seller, it is relatively simpler to comprehend client responses and feedback.
Medium of Communication	Newspapers, pamphlets, social media, radio, and television are just a few of the communication channels used for advertising.	Through the buyer-salesperson interaction, personal selling employs a direct communication style.

<b>Basis of Comparison</b>	<b>Advertising</b>	<b>Personal Selling</b>
Objective	The basic objective behind advertising is to create customer interest in the said product.	Making a consumer aware of the goods and influencing their decision to buy them is the main goal of personal selling.

9.

**Explain the factors determining the choice of channel of distribution.**

**Ans:** Choosing a distribution channel is the most crucial marketing decision. The following elements have an impact on it:

1. The kind of product created will determine how it is distributed.

The following qualities of the product should be examined:

- i. Product value: high or low
  - ii. Perishable or non-perishable
  - iii. Consumer or industrial goods
  - iv. The level of product complexity.
2. The firm's attributes will also be a significant factor in choosing the product; these include the level of control the company desires over intermediaries and the company's financial stability. Generally speaking, financially sound businesses have better control over shorter distribution networks.
  3. The company's distribution strategy is heavily influenced by the degree of rivalry and the distribution channel tactics used by the rivals. After examining the competition, the business might choose to employ a comparable approach or a different one.
  4. The choice of distribution channel is also influenced by several external factors, including financial limitations and regulatory regulations. Businesses will be more inclined to choose shorter channels of distribution if the association of larger channels of distribution entails greater regulatory complications.
  5. Several market parameters, including demand, market size, and customer demographics, can also influence the choice of channel distribution.