

# **Marketing Management Questions and Answers**

## **Module 1**

### **1. Shortly Discuss Marketing Management?**

**Ans.** In order to succeed, marketing management involves creating and implementing marketing strategy plans, procedures, and activities that are in line with broader corporate goals. It also involves monitoring KPIs and simplifying internal processes.

A company will communicate with its clients through marketing in an effort to offer them its goods or services. Before they are in the hands of customers, items are not finished. The management process known as marketing is what moves products and services from concept to client. Marketing focuses more on creating demand for a product and meeting consumer wants than it does on persuading people to pay for it. According to the American Marketing Association (AMA) Board of Directors, the practice of generating, promoting, delivering, and trading solutions that have value for clients, consumers, partners, and society at large is referred to as marketing.

Marketing is "the science and art of exploring, creating, and delivering value to satisfy the needs of a target market while making a profit," according to Dr. Philip Kotler. Marketing discovers unmet wants and requirements. The size of the recognized market and the likelihood of profit are defined, quantified, and measured. It identifies the market categories that the business can best serve, and it creates and markets the proper goods and services to those groups.

### **2. What does Marketing management stand for? (Scope)**

**Ans.** Giving customers post-purchase assistance is part of marketing management's remit in order to keep their business, foster brand loyalty, and improve the company's reputation. In order to determine consumer happiness, it also entails getting client feedback.

### **3. What is Traditional and Modern Marketing?**

**Ans.** In many groups, traditional marketing techniques are typically well-liked. Additionally, this tactic is used in a variety of circumstances. Typically, traditional marketing will give priority to particular goods or services. The medium that is employed might also change. Business actors often have little trouble presenting specifics about the items and services they offer while doing conventional promotions. In reality, most groups will be able to understand these explanations with ease. It should be mentioned that this tactic often works well when used in specific situations or contexts. You see, the nearby audience may easily locate the advertisements you post without the necessity of an internet connection.

Businesses may now use a range of tactics to improve customer happiness, such as an EDC machine that can accept different credit/debit card payments. Of course, client trends will also be considered while implementing these services.

Modern marketing techniques may typically be modified to meet the demands of business actors in addition to being focused on client happiness. Additionally, any device may be used to access promotional information. It should come as no surprise that this tactic may appeal to a worldwide audience and foster

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more client loyalty and trust. Businesses may now use a range of tactics to improve customer happiness, such as an EDC machine that can accept different credit/debit card payments.

### 4. Write Down Some Examples of Modern and Traditional Marketing?

**Ans. Traditional Marketing:** In general, conventional marketing may be carried out in a number of ways, from those that don't cost much to those that do. You may use classic marketing techniques in the following ways:

- 1. Business cards and advertisements:** One of the quickest methods to spread information about your company is by handing out business cards and pamphlets.
- 2. Radio and TV commercials:** Numerous viewers and listeners of radio and television exist. As a result, you may think about advertising in these two mediums.
- 3. Advertising and signs:** You may utilise billboards and signs as an alternate form of advertising to reach a passing audience.

**Modern Marketing:** You may utilize a variety of channels to implement a modern marketing plan. In the explanation that follows, examples of contemporary marketing are provided.

- 1. Online marketing:** You should consider using websites like Google, Facebook, and YouTube to increase awareness.
- 2. E-commerce websites:** Without having to create a real store, using e-commerce on your website may help you market your items to potential buyers.
- 3. Email promotion:** This tactic is frequently cited as having the highest return on investment. You know, there are many reasons to communicate, from the newest promotions to specific events.

### 5. What is the distinction between marketing and selling?

**Ans.** Selling and marketing are fundamentally different because selling refers to a transaction in which an item or service is exchanged for money, whereas marketing refers to the actions and strategies taken by businesses to advertise the purchase or sale of a good or service.

The processes of selling and marketing are interconnected. In the current market, it's often quite difficult to sell a good or service without making use of marketing strategies.

**Selling:** Selling is the act of a seller and a customer exchanging products or services. Building long-lasting relationships and listening to consumers are two talents that successful sellers excel at. High-pressure, transactional, consultative, and collaborative selling are just a few examples of the numerous sales techniques. In high-pressure sales, psychological pressure is used; in transactional sales, rapid sales without long-term connections are the goal; in consultative selling, continuing relationships are the focus; and in

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collaborative selling, the buyer and seller work together. Depending on the seller's personality and industry, several strategies may be used.

**Marketing:** distribution, promotion, material design, and customer experience are all part of the marketing process, which involves promoting products or services via various actions and activities. It greatly improves a product's or service's reputation, boosts sales, and aids in reaching organizational objectives. Strong business development requires strong marketing techniques.

### 6. Write Down the Difference Between Marketing & Selling?

**Ans.** Selling is the practice of exchanging products or services for cash, whereas marketing is the set of actions and strategies used by businesses to advertise the purchase or sale of an item or service.

- **Basis:** While marketing refers to identifying client needs and meeting them, basis selling is manufacturing items or services and selling them to customers.
- **Focus:** Marketing focuses on the wants of the client, whereas selling primarily focuses on the wants of the seller.
- **Nature:** Marketing places more of an emphasis on the needs and wants of the consumer than selling does on the product or service.
- **Market vs. Product:** Although selling first establishes the value of the item or service, marketing first establishes the market.
- **Perception:** While marketing views the business as a means of gratifying customers, selling sees it as a means of producing goods and services.

### 7. What is the evolution of marketing?

**Ans.** The growth of society and the economy influence marketing development. Because they produced their own food, created their own clothing, constructed their own tools, and erected their own shelters and equipment, people in purely agricultural economies were generally self-sufficient. Since there was neither excess or deficit, there was no need for trade or marketing. As time went on, individuals attempted to focus more and more on increasing production.

The outcome was more output than each person needed. On the other hand, there was a perceived demand for some items that were not made by a specific person. The majority of individuals, in general, had certain goods in excess and some commodities they required. The basic tenet of marketing is that if individuals produce more money than they desire or want more money than they make, the foundation of trade or exchange is established.

### 8. Discuss the Functions of Marketing?

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Ans. The job that marketing professionals conduct is built on marketing functions. A marketing team has to do each duty in order to plan, organize, and carry out a successful campaign. Seven commonly regarded marketing tasks add to what marketers do on the whole. These tasks include:

- Promotion
- Selling
- Product management
- Pricing
- Marketing information management
- Financing
- Distribution

**Promotion:** A brand's products or services are made more known to target customers through promotion. It places a focus on introducing prospective customers to your brand. Marketing experts customise each form of this function of marketing to connect to a certain product, brand, or target market.

- Email marketing
- Social media advertisements
- Public relations
- Digital or print advertising
- Content marketing
- Brand partnerships
- Influencer marketing
- Events

Each of these strategies aims to spark interest and discourse about a good or service. But for the promotion to be effective, extra marketing activities are frequently needed.

**Selling:** A component of marketing, selling entails getting in touch with potential clients and following up on sales leads. It's crucial for marketing experts to chase sales leads subtly since doing so enables them to develop connections with future clients. Successful marketers may promote their goods and address any queries clients may have as their conversation with a possible customer develops. Utilizing successful sales strategies can enable you to set your business apart from the competition. To decide how to effectively position their product inside their market and sell it to potential buyers, marketers and salespeople may work together.

**Product Management:** Development, design, and enhancement of goods or services are all included in product management. Making sure a final product meets consumer demands is the responsibility of a marketer in product management. This entails looking at the product's overall appearance, usability, and delivery method. Several product management tactics include the following:

- **Analysing Competitors:** Analysing your competition will provide you the knowledge necessary to create a product that is equal to or superior to theirs.
- **Customer interaction:** This tactic offers valuable information on how to make your items better before they hit the market.

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- **Implementing feedback:** To enhance their production processes, marketing professionals should collect input from a variety of sources, both inside and outside their organisation.
- **Conducting Market Research:** carrying out market research A marketing team may learn what clients want and how to satisfy them by looking at comparable items.
- **Collaborating with additional departments:** Working together with different teams in your organisation helps your whole business get ready to launch a product, come up with ideas for distribution, and deliver goods smoothly.

**Pricing:** Several cost and value considerations are taken into consideration when determining a product's pricing. The ideal price for a product is one that strikes a balance between consumer perceptions of its worth and the actual cost of manufacturing it. The prices established by your rivals and the possible prices that buyers may accept for your goods are further considerations. These factors are considered by marketing experts when determining how much to charge for a certain item or service.

Setting a price for your product can be difficult, but thorough market research can help you make a wise choice. It's crucial that your product's pricing and the price of your promotions and branding correspond.

**Marketing Information Management:** When you focus on data and information, you can optimize your marketing efforts. Data like demographics and client preferences should be gathered and stored. This information frequently refers to the people who are your target market for your goods and services. Consider sharing your data and insights with other departments as well, because this may help the entire firm make smart business decisions.

- Surveys
- Online reviews
- Social media engagements
- Market research reports

Choosing the best marketing tool depends on your particular requirements because each one offers distinctive data and feedback. If your team wishes to assess the success of your most recent social media campaign, for instance, you may look at the number of followers your brand's accounts added throughout the campaign. This might help you assess whether your attempts to increase social media engagement were successful.

**Financing:** Securing money for marketing efforts, either internally or externally, is a function of marketing. It's crucial for marketing teams to set aside adequate money in their annual budget to enhance prior marketing initiatives and stay current with market developments.

If income rises as a result of excellent marketing initiatives, a marketing team may show its worth to the business. Due to their ability to show a verifiable positive return on investment, this team may also be able to obtain further funding as a result of their upward trajectory.

**Distribution:** Transporting your company's goods or services to clients is known as distribution. There are several physical and digital distribution channels, including:

- Online stores
- Catalogues or magazines

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- Sales calls
- Retail stores
- Wholesalers

Marketers frequently select the channel of distribution that corresponds most closely to a certain product, brand, or target market. It's crucial to pick a store where your target market often shops to sell your goods. To ensure that each product reaches your consumers in the way it was intended to, distribution is a marketing role that necessitates departmental coordination.

### 9. What is a Marketing Environment?

**Ans.** An organization's marketing efforts are influenced by both internal and external influences, which together make up the marketing environment.

To continue to succeed and address any dangers or opportunities that can impact their job, marketing managers must be aware of the marketing environment.

### 10. Identify the Opportunities, threats and Changes of Marketing Engagement?

**Ans.**

- **Identify Opportunities:** Understanding your marketing environment can help you see opportunities and seize them before you lose your competitive edge. Say, for instance, that your marketing department notices a rise in online sales over in-store sales. To increase sales, you can opt to devote additional resources to your online marketing funnel.
- **Identify threats:** Researching your marketing environment makes you aware of any potential dangers that might have an impact on your marketing efforts. A market leader, for instance, can diversify their product line to compete with your business. Knowing this will enable you to re-plan your marketing initiatives and increase your market share.
- **Manage changes:** In a dynamic economy, being aware of the marketing environment also aids in managing changes and maintaining growth. By observing their marketing environment, marketing managers may foresee and choose timely marketing campaign methods.

### 11. Describe the Features of a Marketing Environment?

**Ans.**

- **Dynamic:** Over time, the variables influencing marketing environments change continuously. These could include client preferences, industry rules, or technology changes.
- **Relative:** Each organisation's marketing environment is different and relative. Due to differences in the marketing climate, a certain product from your business could sell more quickly in the U.S. than in Europe.
- **Uncertainty:** Market factors can change at any time. You could encounter unforeseen risks or possibilities in your marketing operations even with ongoing research. To accomplish their objectives, skilled marketers must have the ability to swiftly learn, adjust, and strategize.
- **Complexity:** A marketing environment is complicated with numerous internal and external pressures and multiple important moving elements. In order to meet stakeholder expectations, consumer

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happiness, and other ethical and environmental considerations, for instance, you must coordinate the skills and resources of your team.

### 12. Describe the Internal and External Marketing Environment?

**Ans.**

- **Internal Marketing Environment:** An internal marketing environment is made up of variables that are under your control and have an impact on your marketing activities, such as your organisation's capabilities, strengths, and limitations.

Consider important marketing factors, including your teams and employees, the calibre of your goods or services, your budget and capital investments, and your corporate policies. The internal marketing environment can be managed.

- **External Marketing Environment:** The external marketing environment is made up of all variables that are out of your company's control, such as governmental changes, social, economic, and competitive influences.

Your business and marketing teams can maintain the course by defining and analysing these factors' changes and trends, whether they are under your control or not. Micro and macro marketing environments are two main categories that can be used to describe the external marketing environment.

### 13. What is a Macro and Micro Marketing Environment?

**Ans.**

**Micro:** Your company and its marketing operations are immediately impacted by the microenvironment in marketing. Customers, suppliers, business partners, vendors, and even competitors are among the things it considers. To some extent, microenvironmental influences are under your control.

**Macro:** Your organization cannot control all of the variables that make up your macro-marketing environment. Use the term PESTLE, which stands for to quickly recall these elements.

- P: Political factors
- E: Economic factors
- S: Social and demographic factors
- T: Technological advancement factors
- L: Legal and regulatory factors
- E: Environmental factors

These uncontrollable circumstances have the potential to have a significant negative impact on your company's marketing efforts. Political changes, for instance, might have a significant impact on how you can advertise and run your business in some areas.

The macro-marketing environment you operate in is dynamic. It's critical to keep a close eye out for any hazards or commercial possibilities. A sudden environmental change, such as the COVID-19 pandemic in 2020, for instance, might have a huge impact on how we operate, market, and conduct business globally.

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### 14. What is SWOT Analysis?

**Ans.** A SWOT analysis is a method for evaluating these four components of your company. SWOT stands for strengths, weaknesses, opportunities, and threats.

SWOT analysis is a tool that can assist you in identifying the current strengths of your business and developing a winning future strategy. SWOT can also reveal business areas that are restricting your growth or that, if left unchecked, your competitors may exploit.

In other words, what's happening inside and outside of your organization is examined in a SWOT analysis, along with internal and external issues. As a result, while some of these elements will be in your control, others won't. In either instance, once you've identified, noted, and considered as many variables as you can, the best course of action will become more obvious.

### 15. Why is SWOT Analysis Important?

**Ans.** SWOT analysis can assist you in exposing unsafe assumptions and performance blind spots inside your organization. It can provide fresh perspectives on where your company is right now and assist you in creating the ideal strategy for any circumstance if you use it thoughtfully and in collaboration.

For instance, you might be fully aware of some of your organization's strengths, but you might not be aware of just how dependable they are until you list them alongside vulnerabilities and threats.

Similarly, you probably have valid concerns about some of your company's vulnerabilities, but by conducting a methodical examination, you can uncover previously unnoticed potential that could more than make up for them.

### 16. What Is Marketing MIX? (Describe the 4Ps of Marketing)

**Ans.** The four main components of a marketing strategy are product, pricing, place, and promotion, often referred to as the marketing mix or the four P's of marketing. The following four elements of the marketing mix can help a company increase the likelihood that a product will be seen and purchased by customers:

- **Product:** The good or service being offered must meet the needs or wants of the customer.
- **Price:** An item should be offered for sale at a price that is appropriate for consumer expectations, not too high or too low.
- **Promotion:** To understand how the product satisfies the requirements or wishes of the public, the public must be informed about the product and its attributes.
- **Place:** For maximum sales, it's crucial to consider the product's selling point.

### 17. Describe in Details of 4Ps of Marketing Management with suitable examples?

**Ans.**

**Product:** Products are goods and services that consumers need in order to solve their problems and meet their needs. An item of clothes or a vehicle are examples of tangible products, while a cruise or house



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cleaning service are examples of intangible products. Either a product answers a need in the market or provides a special experience that increases demand.

**Example:** Most people were unaware of the need for a phone that would put everything at their fingertips before the iPhone was introduced. People were pushed to simplify their lives by carrying a smartphone that could also act as a GPS, calendar, search engine, torch, weather app and calculator thanks to the way Apple promoted its device.

**Price:** The cost of the goods that the consumer pays is known as the price. Setting a pricing that reflects the current market trends, is affordable for consumers, and is lucrative for the company is crucial when selling a product. The relationship between supply and demand, as well as the product's sales cycle, can affect price. While some companies may raise their prices to compete with the market, others may decrease them—particularly if they are advertising a luxury brand.

**Example:** A product's price points are crucial to its success. For instance, just a few customers will buy a product if it is pricey. A product that is overpriced, on the other hand, can give customers the idea that it is of worse quality, which would discourage them from buying it.

**Place:** Customers purchase goods or services in these locations and through these channels. It also includes the location of the product's manufacturing and storage. How items are sold has changed as a result of the digital transformation, whether through internet retailers, small local businesses, or international manufacturers. This marketing strategy considers where and how the product is advertised, such as through publications, online commercials, radio, infomercials, or product placements in movies.

**Example:** The location is where the item is sold and shipped from. For instance, it would be a good idea to avoid using Tik-Tok while marketing a product to elders. Similar to this, marketing campaigns for goods aimed at younger generations would be more successful online and on social networking sites.

**Promotion:** Promotion means conveying the proper message to the target audience at the appropriate moment. It spreads the word and is a successful approach to engaging customers during a sales promotion. A promotional strategy seeks to demonstrate to consumers the benefits of choosing one product over another and the reasons they would require that product. Product promotions, which form the basis of marketing communications, disseminate targeted and valuable advertising through well-liked channels, including social networking, Instagram campaigns, print advertising, television commercials, email marketing, social media marketing, and more.

**Example:** Promotional marketing can benefit from careful timing. Consider the football season, when pizza delivery offers are promoted during games. This encourages customers to try new things that they would not have otherwise liked.

### 18. What is the Marketing Information System (MIS)?

**Ans.** The systematic gathering, analysis, interpretation, storage, and presentation of market information to marketers on a regular, ongoing basis from both internal and external sources is referred to as the marketing information system.

The marketing information system provides marketers with pertinent information so they may effectively decide on matters such as pricing, packaging, new product development, distribution, media, promotion, etc.

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There are numerous sources (including internal, marketing intelligence, and marketing research) via which pertinent knowledge about the market can be collected because every marketing operation works in harmony with the conditions existing both inside and outside the organization.

### 19. Describe the Components of Marketing Information System?

Ans.

- i. **Internal Records:** The company can collect information through its internal records, which comprise sales data, customer databases, product databases, financial data, operations data, etc. A detailed explanation of the internal sources of data is given below:

The information can be collected from documents such as invoices, transmit copies, and billing documents prepared by the firms once they receive the order for the goods and services from the customers, dealers, or sales representatives.

The current sales data should be maintained on a regular basis as an aid to the marketing information system. The reports on current sales and inventory levels help the management decide on its objectives, and the marketers can make use of this information to design their future sales strategy.

The companies maintain a number of databases, including the customer database, which stores details such as the customer's full name, address, phone number, frequency of purchases, financial situation, etc.

Product Database: This is where all of the details on a product's price, features, and variants are kept.

\*Salesperson database, which stores all of the salesperson's personal data, including name, address, phone number, and sales target.

The data can be obtained whenever necessary from the data warehouse where the corporations store their data. After the data is stored, statistical professionals mine it using a variety of computer programs and procedures to transform it into information that provides facts and figures.

- ii. **Marketing Intelligence System:** The marketing intelligence system offers information on market developments or information about the marketing environment outside of the company. It contains information on shifting market trends, price strategies used by competitors, shifts in consumer tastes and preferences, new items introduced to the market, rival advertising strategies, etc.

The following actions should be taken by businesses in order to improve the marketing intelligence system and have an effective marketing information system: giving the sales force the appropriate training and encouraging them to monitor market developments, such as changes in client tastes and preferences, and to make ideas for improvements as needed.

Encouraging the channel partners, such as dealers, distributors, and retailers, to supply pertinent and essential information on the target audience and rival businesses.

By learning more about their rivals, businesses can also enhance their marketing intelligence system. You can do this by buying the rival's product, going to trade exhibitions, and reading the rival's papers that have been published in publications, journals, and financial reports.

By including the devoted customers in the customer advisory panel, who can share their experiences and offer guidance to the new potential customers, the businesses can have an effective marketing information system.

The companies might use the public data to enhance their marketing information systems. Data on population trends, demographics, agricultural production, and other topics can be used by an organisation to determine its marketing strategies.

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Additionally, research firms that conduct studies on all market participants are a source from which businesses can obtain knowledge about the marketing environment.

By using online feedback forms, the marketing intelligence system can be further enhanced by directly asking clients about their experiences with the product or service.

- iii. **Marketing Research:** The systematic gathering, organisation, analysis, and interpretation of primary or secondary data for the purpose of identifying solutions to marketing issues is known as marketing research. Many businesses do marketing research to apply various statistical methods to the marketing environment, which includes changes in client tastes and preferences, competition strategies, the scope of new product launches, etc. Data must be gathered in order to conduct market research, and this data can either be primary (first-hand data) or secondary (second-hand material that is available in books, periodicals, research reports, journals, etc.). Although the secondary data are accessible to the general public, the researcher must use specific techniques to gather the primary data, such as questionnaires, in-person interviews, surveys, seminars, etc.

Marketing research makes a significant contribution to the marketing information system since it offers true information that has been thoroughly examined by the researchers.

- iv. **Marketing Decision Support System:** It has a number of software tools that marketers can use to analyse the data already gathered and make smarter marketing decisions. The marketing managers can use computers to save the massive amounts of data in tabular form, analyse the data using statistical programmes, and then make judgments based on the results.

### 20. What is a Marketing Decision Support System?

**Ans.** A marketing data support system consists of numerous software programs and other tools that companies can use to collect, or organize and assess data. A single system may employ a variety of tools or apps, each of which is designed to do a certain task. The collaborative programmes that make up the system, which are at the core of how the marketing information system functions, are what make it work.

### 21. What is Marketing Intelligence?

**Ans.** Gathering data or information from external sources, such as professional associations or specialty periodicals, is referred to as marketing intelligence. It includes details on the surrounding marketing environment. Utilising this data helps the company have a better grasp of its industry competitors and marketing strategy.

## Module – 2

### 22. What is Consumer Behaviour?

**Ans.** The study of how individual customers, groups, or organisations pick, buy, use, and dispose of ideas, goods, and services to meet their needs and desires is known as consumer behaviour." It relates to consumer behaviour in the marketplace and the underlying motivations behind that behaviour.

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Marketers believe that by knowing what drives consumers to purchase specific goods and services, they will be able to decide which things are needed in the marketplace, which are outmoded, and how to effectively offer the commodities to consumers.

### 23. Discuss the Nature of Consumer Behaviours?

**Ans.** Nature of Consumer Behaviours Are.

- i) **Influenced by various factors:** The following are the numerous elements that impact customer behaviour:
  - a. Product design, pricing, promotion, packaging, positioning, and distribution are examples of marketing elements.
  - b. Individual characteristics such as age, gender, education, and income level.
  - c. psychological aspects such as purchasing motivations, product perception, and attitudes towards the product.
  - d. Situational elements, such as the physical environment at the time of purchase, social surrounds, and time factor.
  - e. social elements such social standing, peer groups, and family. Religion, social class—caste and sub-castes—are examples of cultural elements.
- ii) **Undergoes a constant change:** Consumer behaviour is not constant. It changes throughout time based on the nature of the items. For example, children love bright and extravagant footwear, whereas teens and young adults prefer trendy footwear, and middle-aged and older persons choose more sombre footwear. Changes in purchasing behaviour may occur as a result of a variety of different circumstances, including an increase in income, education level, and marketing considerations.
- iii) **Varies from consumer to consumer:** Consumers do not all behave the same way. various customers act in various ways. Individual characteristics such as consumer nature, lifestyle, and culture contribute to variances in consumer behaviour. Some customers, for example, are technophiles. They go shopping and spend more than they can afford.

They borrow money from friends, families, banks, and sometimes even use immoral tactics to purchase advanced technology. However, there are those customers who, despite having extra money, do not make even routine purchases and resist using and purchasing advanced technology.
- iv) **Varies from region to region and country to county:** Consumer behaviour varies by state, region, and country. The conduct of urban customers, for example, differs from that of rural consumers. Many rural customers are cautious in their purchasing habits.

Despite having ample finances, wealthy rural customers may hesitate to spend on luxuries, but wealthy urban consumers may take out bank loans to purchase luxury products such as vehicles and home equipment. Consumer behaviour can also differ between states, regions, and countries. It varies according on upbringing, lifestyle, and level of development.
- v) **Information on consumer behaviour is important to the marketers:** Marketers must have a thorough understanding of customer behaviours. They must research the numerous aspects that impact their target clients' consumer behaviour.

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- vi) **Leads to purchase decision:** A favourable customer behaviour results in a purchasing decision. A consumer's choice to purchase a product might be influenced by a variety of factors. The buying choice increases demand, and the marketers' sales grow. As a result, marketers must influence consumer behaviour in order to boost sales.
- vii) **Varies from product to product:** Consumer behaviour varies depending on the product. Some customers may purchase more of one thing while purchasing very little or none of another. For example, kids may spend a lot of money on snobby items like cell phones and branded clothing, but not on general and intellectual reading. A middle-aged individual may spend less on apparel, but may invest in savings, insurance, and pension plans, among other things.
- viii) **Improves standard of living:** Consumer purchasing habits may result in a greater standard of life. The higher a person's level of living, the more products and services he or she purchases. However, despite having a strong salary, a person who spends less on goods and services deprives themselves of a greater level of living.
- ix) **Reflects status:** Consumer conduct is not only impacted by a consumer's status, but it also displays it. Consumers who purchase luxury vehicles, watches, and other products are thought to be of better social standing. The luxurious things also provide the owners with a sense of pride.

### 24. Describe the Psychological factor of Consumer Behaviour?

Ans. Consumer behaviour is heavily influenced by human psychology. These characteristics are difficult to quantify but have the potential to affect a purchasing decision.

Among the critical psychological elements are:

- i. **Motivation:** When a person is sufficiently motivated, it impacts the individual's purchasing behaviour. A person has various needs, including social, fundamental, and security requirements, as well as esteem and self-actualization wants. Among all of these demands, basic necessities and security needs take precedence over all others. As a result, basic necessities and security needs have the ability to inspire a customer to purchase goods and services.
- ii. **Perception:** Consumer perception is a key influencer of consumer behaviour. consumer perception is the process through which a consumer gathers information about a product and interprets that information in order to construct a meaningful image of that product.

When a customer reads commercials, promotions, customer reviews, social media comments, and so on about a product, they form an opinion about it. As a result, customer perception has a significant impact on consumer purchasing decisions.

- iii. **Learning:** When a person purchases a product, he or she gains knowledge about that product. Learning happens throughout time as a result of experience. The learning of a customer is determined by his or her abilities and information. While talent may be learned via practise, knowledge can only be learned through experience.

Learning can be conditional or cognitive. Conditional learning involves continually exposing the consumer to a circumstance, causing the consumer to build a reaction to it.

Whereas with cognitive learning, the buyer will apply his knowledge and abilities to discover satisfaction and a solution from the thing that he purchases.

- iv. **Attitudes and Believes:** Consumers have specific attitudes and ideas that impact their purchasing decisions. The consumer acts in a specific way towards a product based on this mindset. This mindset is very important in developing a product's brand image. As a result, marketers work hard to understand customer attitudes in order to build marketing initiatives.

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### 25. Describe Social Factors?

**Ans.** Humans are social beings who are surrounded by numerous individuals who impact their purchasing behaviour. Humans want to emulate other humans and also want to be socially acceptable. As a result, their purchasing behaviour is impacted by others around them. These are referred to as social factors. Some of the social elements are as follows:

- i. **Family:** A person's purchasing behaviour is heavily influenced by his or her family. A person develops preferences as a youngster by observing his family buy things and continues to buy the same products as an adult.
- ii. **Reference Groups:** A reference group is a group of persons with whom a person has a personal relationship. In general, everyone in the reference group has similar purchasing habits and influences one another.
- iii. **Roles and Status:** The role that a person plays in society has an impact on him. If a person is in a high position, his purchasing behaviour will be heavily impacted by his position. A Chief Executive Officer at a firm will buy according to his standing, however a staff or employee in the same company will buy differently.

### 26. Describe Cultural Factors?

**Ans.** A group of people is associated with a set of values and ideologies that belong to a particular community. When a person comes from a particular community, his/her behaviour is highly influenced by the culture relating to that particular community. Some of the cultural factors are:

- i. **Cultural:** Cultural factors have a significant impact on consumer purchasing behaviour. Cultural Factors are the fundamental beliefs, needs, desires, preferences, perceptions, and behaviours that a consumer observes and learns from close family members and other key individuals in their lives.
- ii. **Subculture:** There are several subcultures within a cultural group. These subcultural groupings hold similar views and values. People from various religions, castes, regions, and ethnicities can form subcultures. These subcultures constitute a client niche in and of themselves.
- iii. **Social Class:** Every civilization on the planet has some type of social class. The social class is defined not just by wealth, but also by employment, family history, education, and dwelling area. Consumer behaviour is influenced by social class.

### 27. Describe Personal Factors of Consumer Behaviour?

**Ans.** Consumer purchasing behaviour is influenced by personal factors. These personal variables vary from person to person, resulting in varying views and consumer behaviour.

Personal considerations include the following:

- i. **Age:** Age is a significant element that determines purchasing behaviour. The purchasing habits of young individuals differ from those of middle-aged persons. The purchasing habits of the elderly are very different. Teenagers will be more interested in purchasing brightly coloured clothing and

## Marketing Management Questions and Answers

cosmetic items. Middle-aged people are concerned about the family's home, property, and automobile.

- ii. **Income:** A person's purchasing behaviour might be influenced by their income. Consumers with greater incomes have more purchasing power. When a consumer has more discretionary money, he or she has more opportunities to spend on lavish things. Whereas low- and middle-income customers spend the majority of their income on necessities such as groceries and clothing.
- iii. **Occupation:** A consumer's occupation effects his or her purchasing behaviour. A person prefers to acquire items that are related to his or her work. A doctor, for example, would dress appropriately for his career, but a professor would dress differently.
- iv. **Lifestyle:** A lifestyle is an attitude and a way of life that an individual maintains in society. A consumer's lifestyle has a significant impact on their purchasing behaviour. When a customer follows a healthy lifestyle, for example, the things he purchases will be related to healthy alternatives to junk food.

### 28. Describe the Economic Factors of Consumer Behaviour?

Ans. Consumer purchasing habits and decisions are heavily influenced by a country's or market's economic state. When a country is rich, its economy is robust, resulting in a larger money supply in the market and better purchasing power for people. When customers feel a pleasant economic climate, they are more likely to spend money on purchasing goods.

A weak economy, on the other hand, depicts a failing market that is afflicted by unemployment and decreasing purchasing power.

Economic variables have a considerable impact on a consumer's purchasing decision. Among the most important economic factors are:

- i. **Personal Income:** When a person's disposable income rises, so does his or her purchasing power. The money left over after meeting a person's fundamental necessities is referred to as disposable income.  
  
Increased discretionary income leads to increased spending on a variety of things. However, when disposable income declines, so does expenditure on a variety of products.
- ii. **Family Income:** The total income of all family members is referred to as family income. When more individuals work in the family, there is more money available for essential requirements and indulgences. Higher family income motivates family members to buy more. When a family has more money, the inclination is to acquire additional luxury products that they would not have been able to afford otherwise.
- iii. **Consumer Credit:** When a customer is given cheap credit to purchase products, it encourages more spending. Sellers make it simple for customers to obtain credit in the form of credit cards, easy payments, bank loans, hire buy, and a variety of other credit choices. When customers have more credit accessible to them, they are more likely to buy comfort and luxury things.
- iv. **Liquid Assets:** Consumers with liquid funds are more likely to spend on comfort and pleasures. Liquid assets are ones that can be quickly transformed into cash. Liquid assets include cash on hand, bank savings, and securities. When a customer has more liquid funds, he is more likely to purchase luxury products.
- v. **Savings:** A customer is heavily impacted by the amount of money he or she intends to set away from his or her earnings. If a customer decides to save more, his purchasing power decreases. If a customer wants to save more, the majority of his money will be spent on purchasing goods.

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29. What is Industrial Buying Behaviour?

Ans. Axelsson (1998) distinguishes transactional and relational purchasing behaviour.

The "classical buying philosophy" refers to transactional and competitive buying behaviour, whereas "the modern buying philosophy" refers to relational and cooperative buying behaviour.

According to Axelsson (1998), opinions about how corporations should conduct their purchasing have shifted over the previous decade, and these shifts have been observed in both Sweden and the United States. When it comes to beliefs about how a firm "should" function, the contemporary buying philosophy has grown mainstream. However, the traditional purchasing mindset continues to dominate the way most businesses operate. Which philosophy a company chooses to apply relies on various aspects, and there is no one correct or wrong method.

Companies might employ many ideologies at various times. The philosophy chosen may also be determined by the sort of services purchased.

30. What is the Difference Between Consumer vs industrial buying Behaviour?

Ans. The main differences between industrial buyers and consumers could be described as follows: Industrial buyers purchase goods in bulk for long term and further production from the industrial market which are needed for business purpose whereas a consumer purchases goods to use for their household. Industrial buyers purchase goods after a period of time and they purchase for making profit whereas consumers go for routine purchases in their everyday activities and they do not buy product for the purpose of making profit. Consumers are day to day consuming of small goods and industrial buyers are for industries that use the same goods in larger quantities.

A buyer is a customer--he is an individual or business that makes a purchase from a seller. The buyer is the party that gives or transfers money to the seller to secure a product. On the other hand, a consumer is a person who uses a product or service. The consumer is often called an "end user" because he is the last stop and does not usually transfer or sell the item to another party. From these differences, marketing decisions are affected in the sense that, the producers in the industrial market can regulate their purchase and production having understood the consumer market according to the economic situation prevalent and vice versa.

31. What is STP Marketing?

Ans. STP marketing stands for Segmentation, Targeting, and Positioning, and it is a three-step methodology that looks at your products or services as well as how you convey their benefits to certain client categories.

In a nutshell, the STP marketing model means you segment your market, target select customer segments with marketing campaigns tailored to their preferences, and adjust your positioning according to their desires and expectations.



## Marketing Management Questions and Answers

<b>S</b> Segmentation	<b>T</b> Targeting	<b>P</b> Positioning
Divide market into distinct groups of customers (segments) using segmentation practices.	Determine which customer group (segment) to focus your marketing efforts on.	Create product positioning and marketing mix that is most likely to appeal to the selected audience.

STP marketing is effective because it divides your customer base into smaller groups, allowing you to develop highly targeted marketing strategies to reach and engage each target audience.

In fact, 59% of customers said that personalisation impacts their purchase choice and another 44% claimed that a tailored shopping experience will inspire them to become repeat clients of a company.

STP marketing marks a transition away from product-focused marketing and towards customer-focused marketing. This move allows firms to better understand who their ideal consumers are and how to contact them. In short, the more tailored and focused your marketing efforts, the more effective you will be.

### 32. What are the Benefits of Market Segmentation?

Ans. Marketing segmentation necessitates time and money to implement. However, good marketing segmentation initiatives may boost a company's long-term profitability and health. Among the many advantages of market segmentation are:

- i. **Increase Resource Efficiency:** Marketing segmentation enables management to concentrate on certain demographics or clients. Instead of attempting to advertise items to the whole market, marketing segmentation provides for a more concentrated, precise strategy that is typically less expensive than a broad reach approach.
- ii. **Stronger Brand Image:** Marketing segmentation pushes management to think about how they want to be regarded by a certain set of individuals. Management must next evaluate what message to produce after identifying the market niche. Because this message is aimed at a specific audience, a company's branding and marketing are more likely to be deliberate. This may also have the unintended consequence of improving consumer interactions with the organisation.
- iii. **Greater Potential for brand loyalty:** Marketing segmentation boosts customers' chances of developing long-term ties with a firm. Director, more personal marketing tactics may appeal with customers and generate feelings of inclusion, community, and belonging. Furthermore, market segmentation raises the likelihood of landing the ideal customer that suits your product line and demography.
- iv. **Stronger Market Differentiation:** Market segmentation allows a corporation to determine the specific message it wants to deliver to the market and rivals. This may also aid in product differentiation by

## Marketing Management Questions and Answers

clearly conveying how a firm differs from its rivals. Instead, then using a wide approach to marketing, management creates a more distinctive and specialised image.

- v. Better Targeted digital advertising: Marketing segmentation helps a business to implement more focused advertising techniques. This includes social media marketing programmes that target certain ages, places, or behaviours.

33. What are the bases of Segmentation?

Ans. A segmentation base is a method of categorising or grouping people that has been shown to increase response to marketing efforts. It's a crucial but frequently ignored component of a successful worldwide marketing plan. Many businesses neglect segmentation and risk losing a lot of money on their marketing operations.

Understanding segmentation bases allows your firm to create campaigns that engage with customers and get outcomes. You have the ability to build campaigns that exceed your competition.

To do so, you must first grasp the many forms of market segmentation and why each is beneficial to your marketing outcomes.

34. What is Target Market?

Ans. The target market is the end customer to whom the firm want to sell its products. Target marketing entails segmenting the total market and developing marketing strategies for each segment in order to enhance market share.

35. What is Branding?

Ans. "A brand is a name, term, sign, symbol, or design, or a combination of these, that is intended to identify and differentiate the goods and services of one business or group of businesses from those of competitors."

Branding is a mix of tangible and intangible traits represented by a trademark that, when effectively managed, generates influence and value. Brands serve to distinguish a company's products and services from those of its rivals. There is plenty of data to show that people will pay a significant price premium for a solid brand and stick with it. It is therefore critical to understand what brands are and why they are essential.

36. Write Down the importance of Branding Strategy?

Ans.

- (i) It aids in product identification and offers a product 'distinctiveness'.
- (ii) It denotes a product's quality or standard indirectly.
- (iii) It eliminates product imitation.
- (iv) It protects the product's legal rights.
- (v) It aids in advertising and packaging efforts.
- (vi) It aids in the development and maintenance of brand loyalty to a certain product.
- (vii) It aids in product pricing differentiation.
- (viii) It aids the maker in the identification of the product.
- (ix) It makes product advertising and marketing more effective. Product identification may be readily generated, making 'Repeat Sales' easier.

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- (x) It aids in increasing and controlling market share. A brand has a distinct image and personality that may make it more appealing than a nearly similar competition.
- (xi) An established brand facilitates the launch of new items and hence aids in the expansion of product mix.

37. What is Branding Strategy?

Ans. A brand strategy is a plan developed by businesses to assist them in developing their identity in their markets. This frequently entails a number of milestones and long-term goals for defining their essential beliefs and strategies to properly express them with customers. Organisations frequently evaluate their communication techniques, design aspects, and product specifics when developing brand strategy examples that may demonstrate customers why they could acquire a product or service from those organisations.

38. What is Packaging?

Ans. Every product requires packaging in order to function properly. The product cannot be kept or transported from one area to another without packing. Packaging gives the goods a sense of identity.

Thus, packaging is the act of giving a protective and informational covering to a product in such a manner that it protects the product throughout material handling, storage, and movement while simultaneously providing important information about the contents of the package to all parties involved.

### Module – 3

39. What is a product concept?

Ans. A product idea, also known as a concept statement, is a description or vision of a product or service that is often created early in the product lifecycle.

Product ideas are developed long before any design or engineering work is done, taking into consideration market study, customer experience, product features, product-market fit, cost, and other factors to help bring the concepts to life.

The product idea statement is the last component of the product concept. It expresses the product strategy, vision, and purpose, as well as how it will add value to consumers and the business.

40. Why is a product concept important?

Ans. Product ideas, because they create the vision or strategy for a new product or service, are an excellent approach to obtain buy-in from senior stakeholders long before any work is done.

Product concepts serve as a jumping off point for conversation and ongoing improvement, therefore releasing them as soon as feasible is both helpful and necessary.

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Product concepts can act as a check-in mechanism: by returning to the initial product concept statement, teams may assess whether they're still on track and producing something that meets the document's requirements.

41. What are the type of Products?

Ans.

- i. Convenience products: Customers benefit from convenience products because they save time and effort. Convenience products are items that people buy frequently, quickly, and with little effort. Soap, toilet paper, and batteries, for example, are all examples of convenience items.
- ii. Specialised products: Specialised products are those that people actively seek out because of special attributes or brand loyalty. These customers are unlikely to accept replacement items. High-end designer items, expensive automobiles, and famous paintings are examples.
- iii. Brand products: The attitude behind branded items is straightforward: the more pleasant the brand connotation, the more likely a buyer is to purchase anything from it. Because they've established their position, individuals with brand awareness have a considerably better chance of creating a successful product concept — not only from a design and market opportunity standpoint.

42. What are the advantages of product concept?

Ans. There are many benefits to using product concepts:

- i. Quality over quantity: Product concepts must strike a balance between high quality, accessibility, and performance. As fresh product concepts are exchanged, you may begin to review and evaluate them, removing low-quality ideas far earlier in the process. This guarantees that you only ever move to production with product concepts that are most likely to succeed – for example, those that connect with consumer wants and support company objectives.
- ii. Develop curiosity: Consumers are inevitably attracted when established businesses introduce new product concepts to the market; they want to buy the product and experience the new features to fulfil their curiosity. Brands, on the other hand, maintain themselves in the media as long as possible in order to improve perceived value and knowledge of the new product concept.
- iii. Increase margins: If a corporation has developed a solid product concept and effectively marketed it to its target audience, for example, by demonstrating the product's extremely high quality and functional value, it can charge more than its rivals. Remember that quality above quantity is the name of the game, and if customers are aware of it (and it is ingrained in their thoughts), they will pay more.

43. What are the Disadvantages of Products Concept?

Ans. The disadvantages of product concepts include:

- i. Irrelevant and impractical features: One of the primary issues with early product concepts is that in the battle for innovation and difference, there is a danger of deviating from the demands of potential consumers. Even with unique features and higher quality, it is critical to prioritise functional value.
- ii. Price concerns: Consumers in many markets are extremely price-conscious. Because they are more economical, people favour lower-cost solutions than higher-quality items. With this in mind, try designing a lite version of your product concept (where practicable) if you have a target market or segment that is more price-conscious than your other consumers.

44. What is Product Mix?

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Ans. A company's product mix is the total number of product lines and individual items or services it offers. Product portfolio is another term for product assortment. Product combinations differ from one manufacturer to the next. Some companies have many product lines, each with a large number of goods.

45. What is Product Line?

Ans. A product line is a product category or brand that a corporation markets. A product line's products all perform comparable functions, have similar advantages, target similar clients, are similarly priced, and use similar distribution methods. Line stretching, line filling, line updating, and line featuring are all important product line qualities.

46. What is Product Width?

Ans. The entire number of product lines that a corporation provides for sale is referred to as the width or breadth of the product mix. For example, if a firm sells milk and yoghurt, it suggests that it has two product lines. A cosmetic firm, on the other hand, produces four categories of products: jewellery, cosmetics, fashion, and domestic things.

47. What is Product Depth?

Ans. The depth of a product mix refers to the total number of variations for each product that a firm provides. The product may differ in terms of size, flavour, taste, and a variety of other factors. Medical, for example, sells four sizes and two flavours of toothpaste, resulting in an eight-depth range.

48. What is Product Life Cycle?

Ans. A product life cycle is the period of time between when a product is initially offered to customers and when it is removed from the market. The life cycle of a product is often divided into four stages: introduction, growth, maturity, and decline.

Management and marketing experts utilise product life cycles to assist establish advertising schedules, pricing points, growth into new product markets, package redesigns, and other factors. Product life cycle management refers to these strategic approaches of product support. They can also assist in determining whether newer items are ready to replace older ones on the market.

49. What are the stages of Product life cycle?

Ans. There are four stages of a product's life cycle, as follows:

- i. **Market Introduction and Development:** This stage of the product life cycle entails designing a market strategy, which is often accomplished by an investment in advertising and marketing to raise customer awareness of the product and its advantages. Sales are often slow at this time as demand is built. This stage may take some time to complete, depending on the complexity of the product, how fresh and inventive it is, how well it meets the wants of customers, and whether there is any competition in the market. A new product development that is tailored to the demands of the consumer is more likely to succeed, although there is also evidence that goods can fail at this stage, implying that stage two is never achieved.

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- ii. **Market Growth:** If a product successfully navigates the market introduction stage, it is ready to go on to the growth stage of its life cycle. Growing demand should result in increased manufacturing and the product being more readily available.

As the product takes off, the gradual rise of the market introduction and development stage develops into a sudden upturn. At this time, rivals may join the market with their own versions of your goods, either outright copies or with minor modifications. As the consumer has the option to shop elsewhere, branding becomes increasingly crucial in order to keep your market position. In the face of increased competition, product pricing and availability in the marketplace become critical elements in generating sales.

- iii. **Market Maturity:** Because a product has been established in the market, the cost of creating and selling the current product will decrease. When a product's life cycle reaches this mature stage, market saturation begins. Many consumers will have purchased the product by this point, and rivals will have emerged, making branding, pricing, and product distinction even more critical in maintaining market dominance. Retailers will become stockists and order takers rather than market your goods as they may have done in stage one.

- iv. **Market Decline:** As competition increases, with other firms attempting to mimic your success with more product features or cheaper pricing, the life cycle will eventually decline. Decline can also be triggered by new developments that outperform your present product, such as horse-drawn carriages becoming obsolete when the vehicle took its place.

Many businesses will begin to diversify as market saturation means there is no longer any profit to be made. Of sure, some enterprises may survive the downturn and continue to supply the product, but manufacturing will most likely be on a smaller scale, and prices and profit margins will certainly fall. Consumers may also abandon a product in favour of a new option; however, this may be reversed in rare cases if trends and fads return to revitalise interest in an earlier product.

### 50. What are the Strategies Involved in PLC Stages?

Ans. The product life cycle contains four distinct stages: introduction, growth, maturity and decline. Each stage is associated with changes in the product's marketing position. You can use various marketing strategies in each stage to try to prolong the life cycle of your products.

#### **Product introduction strategies**

Marketing strategies used in the introduction stages include:

- rapid skimming - launching the product at a high price and high promotional level
- slow skimming - launching the product at a high price and low promotional level
- rapid penetration - launching the product at a low price with significant promotion
- slow penetration - launching the product at a low price and minimal promotion

During the introduction stage, you should aim to:

- establish a clear brand identity
- connect with the right partners to promote your product

## Marketing Management Questions and Answers

- set up consumer tests, or provide samples or trials to key target markets

price the product or service as high as you believe you can sell it, and to reflect the quality level you are providing.

### Product growth strategies

Marketing strategies used in the growth stage mainly aim to increase profits. Some of the common strategies to try are:

- improving product quality
- adding new product features or support services to grow your market share
- entering new markets segments
- keeping pricing as high as is reasonable to keep demand and profits high
- increasing distribution channels to cope with growing demand
- shifting marketing messages from product awareness to product preference
- skimming product prices if your profits are too low

The growth stage is when you should see rapidly rising sales, profits and your market share. Your strategies should seek to maximise these opportunities.

### Product maturity strategies

When your sales peak, your product will enter the maturity stage. This often means that your market will be saturated and you may find that you need to change your marketing tactics to prolong the life cycle of your product. Common strategies that can help during this stage fall under one of two categories:

- market modification - this includes entering new market segments, redefining target markets, winning over competitor's customers, converting non-users
- product modification - for example, adjusting or improving your product's features, quality, pricing and differentiating it from other products in the marking

### Product decline strategies

During the end stages of your product, you will see declining sales and profits. This can be caused by changes in consumer preferences, technological advances and alternatives on the market. At this stage, you will have to decide what strategies to take. If you want to save money, you can:

- reduce your promotional expenditure on the products
- reduce the number of distribution outlets that sell them
- implement price cuts to get the customers to buy the product
- find another use for the product
- maintain the product and wait for competitors to withdraw from the market first
- harvest the product or service before discontinuing it.

Another option is for your business to discontinue the product from your offering. You may choose to:

- sell the brand to another business
- significantly reduce the price to get rid of all the inventory.

## Marketing Management Questions and Answers

51. What is Product Development?

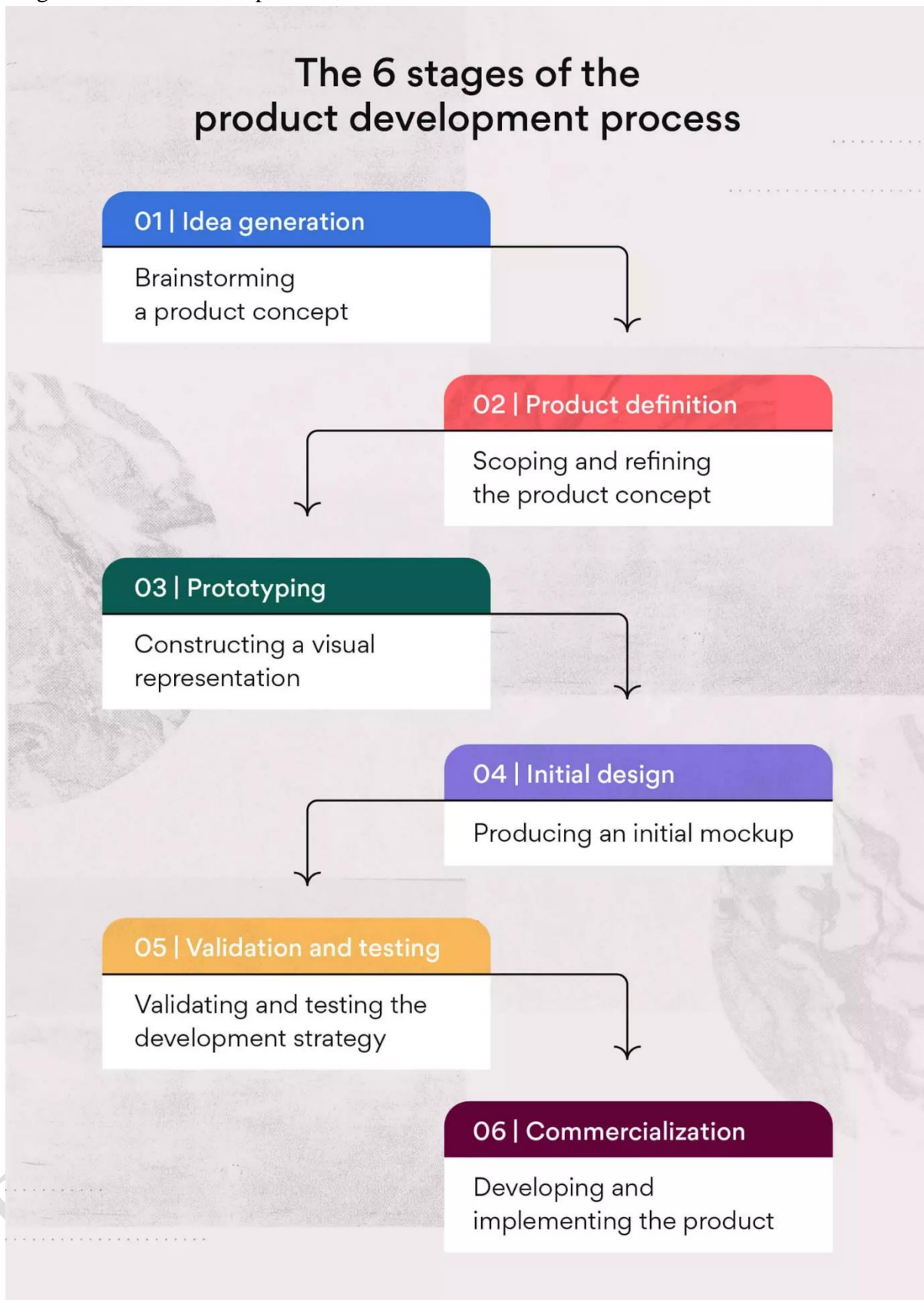
Ans. Product development is the process of creating a new product, from concept through commercialization. Product development starts with those early brainstorming meetings, when you're merely talking about a new concept. From then, the process is creative yet strategic, and you've probably seen it done a million times. However, without clear organisation, it might be difficult to properly blend creativity with planning. This is where the product development process comes in—a six-step structure that will assist you in standardising and defining your work.

Prof. Tapas Kumar Mondal



## Marketing Management Questions and Answers

52. Stages of Product Development? Ans.



Module – 4

53. What is Pricing?

## Marketing Management Questions and Answers

Ans. Pricing is the process of determining how much money a manufacturer will get in return for services and commodities. The pricing approach is used to change the cost of the producer's products to make them more appealing to both the manufacturer and the client. Pricing is determined by the company's typical prices as well as the buyer's perceived worth of an item in comparison to the perceived value of rivals' products.

### 54. What is the importance of Pricing in Marketing Mix?

Ans. Pricing decisions can have far-reaching repercussions for an organisation. It is one of the first things that many buyers think about, and it influences the profit margin on items.

- i. **Flexible Element of Marketing Mix:** The most malleable part of the marketing mix is price. Prices, unlike other aspects such as product, place, or promotion, may change quickly. Product design or distribution system changes would take a long time to implement. Changing adverts or promotional activities is often a time-consuming effort. However, the pricing is quite flexible and may be adjusted to meet the demands of the scenario. As a result, it is a critical component of the marketing mix.
- ii. **Right Level Pricing:** A bad pricing selection might lead to a company's demise. It is critical to set prices at the appropriate level after thorough market research and consideration of aspects such as rivals' strategy, market circumstances, manufacturing costs, and so on. Low pricing may initially attract clients, but raising prices at a later date would be extremely difficult for the firm. Similarly, a high price will result in higher profit margins but lower sales. So, in order to maintain a balance between profitability and number of sales, the proper pricing must be set.
- iii. **Price Creates First Impression:** Price is sometimes the first thing a client observes about a product. While the customer's final purchasing choice may be based on the total advantages provided by the goods, he is more likely to compare the price with the perceived value of the product to assess it. Customers attempt to discover more about the product attributes after knowing about the pricing. If a product is overpriced, the buyer may lose interest in learning more. However, if he believes a thing is affordable, he will seek further information about it. As a result, pricing is a crucial element influencing a buyer's selection.
- iv. **Vital Element of Sales Promotion:** Price is the most essential component of sales promotion since it is the most changeable component of the marketing mix. The marketing manager may lower the price to attract more sales. In the case of items whose demand is price sensitive, even a minor price cut will result in increased sales volume. Prices, however, should not be changed too frequently in order to promote sales.

### 55. What are the Objectives of Pricing?

Ans.

- i. **Survival:** The goal of pricing for every firm is to set an acceptable price for customers while also allowing the manufacturer to thrive in the market. Every firm is at risk of being pushed out of the market due to fierce competition and changes in client preferences and taste. As a result, while evaluating the cost of a product, all variables and fixed costs must be included. Once the survival phase is complete, the firm can pursue more revenues.

## Marketing Management Questions and Answers

- ii. Expansion of current profits: The majority of businesses attempt to increase their profit margins by analysing the market's demand and supply of services and commodities. As a result, pricing is determined by the product's demand and the alternative for that commodity. If there is a strong demand, the price will be high as well.
- iii. Ruling the market: Firms charge low prices for goods and services in order to get a huge market share. The strategy increases sales by raising demand and resulting in reduced manufacturing costs.
- iv. A market for an innovative idea: The corporation charges a hefty fee for its highly inventive and cutting-edge technological products and services. The price is expensive due to the high cost of manufacture. Mobile phones and technological devices are two examples.

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

Ans. The price of a product is the amount of money spent by buyers to receive it, and this price influences its demand. As a result, price is critical in the marketing of goods. A company's income and earnings are affected by the price it charges for its goods. Furthermore, price serves as a competitive tool. Price competition exists between firms that provide identical substitutable items. As a result, enterprises must place a premium on correct product pricing. Marketers must thoroughly examine the numerous aspects that influence price and set an appropriate price for the product.

The following are the elements that influence the pricing of a product or service.

- i. Cost of Product: The cost of a product is crucial in determining its price, as it includes costs involved in production, distribution, and sale. It can be classified into three categories: fixed cost, variable cost, and semi-variable cost. Fixed costs do not vary with output levels, while variable costs increase with production volume. Semi-variable costs vary with output levels but not directly proportionally. Firms typically decide the price of a product to cover all costs and earn profit over and above the cost incurred. They consider both the cost and profit factors when determining the price.
- ii. Demand of The Products: A firm must consider the elasticity of demand when determining its price. Elasticity refers to the proportionate change in demand due to a given price change. If a small price change leads to a large fall, the firm cannot charge a higher price. Conversely, if a price change does not significantly affect demand, the firm can charge a higher price, as even at a higher price, demand would not fall much. Thus, the price for goods with elastic demand is generally lower than for goods with inelastic demand.
- iii. Degree of Competition in the Market: In general, the stronger the market competition, the lower the price that a company may charge for its goods. This is because, in a high-competition environment, charging a high price will lead a business to lose clients to competitors. On the other hand, if a company has limited competition for its product, it may charge a higher price.
- iv. Government Regulations: At times to protect the interest of public at large, the government intervenes in the determination of price. For example, in case of essential commodities, the government can declare a maximum price that can be charged.
- v. Objectives with Pricing: Firms have various pricing objectives to consider when deciding prices. Profit maximisation is a key objective, with higher prices for short-term revenue growth. Long-term profit maximisation involves charging lower prices to gain market share and larger sales. Acquiring market share requires lower prices to attract customers. Surviving competition requires lower prices to avoid losing customers to competitors. Focusing on quality requires higher prices to cover additional costs. Overall, firms must consider their objectives when deciding their pricing strategy.

## Marketing Management Questions and Answers

- vi. **Methods of Marketing:** The firm's marketing methods, such as distribution, advertisement, customer service, branding, and so on, also have an impact on pricing decision. For example, if the company utilises extensive advertising to promote the goods, it will demand a higher price.

### 57. What are the different types of Pricing Method?

**Ans.** The method of pricing is split into two sections:

- **Cost Oriented Pricing Method** It's the basis that determines the value of finished products as well as the majority of companies use this method to determine the price of the item. The method can be further divided into these ways.
- **Cost-Plus Pricing** For this price manufacturing process, the producer estimates the price of production maintained and adds the fixed percentage (also referred to mark-up) for the final selling cost. Profit mark-up is based by the cost total (fixed as well as variable costs).
- **Markup Pricing** Here The fixed amount or percentage of the cost total of the item will be added onto the item's cost at the end to calculate the cost of selling a particular product.
- **Target-Returning Pricing** - The business or firm determines the price of products to ensure that they achieve the Return of investment.

**Market-Oriented Pricing Method- They will be determined on the basis of research conducted by market researchers.**

- **Perceived Value Pricing** This method lets the manufacturer determines the price considering the buyer's perception of the product and services. This includes additional factors like product high-quality, advertising distribution and more. that affects the consumer's perspective.
- **Value-priced** This firm produces a product which has high-quality however, it is not expensive.
- **Going-Rate Price-** The method used is that the business will look at the competitors' rates as a basis in making the decision on the price for the product. The cost for the product is approximately the same with the price of competitors.
- **Auction Type Pricing** Due to the increasing use of the internet, this modern pricing technique is growing each day. A variety of online platforms, such as OLX, Quickr, eBay as well as others. utilize online websites to purchase and then sell the item directly to the buyer.
- **Differential Pricing** - This technique is used for pricing that must differ for various types of customers or groups. In this case, pricing could vary based on the location or area, the product, or time of day etc.

### 58. What is Discount?

**Ans.** The amount of concession that is granted by the seller to the purchaser to the par value of the invoice is referred to as Discount. Discount is based to the buyer on the basis of the total value of the item and the purchaser is required to pay for the net portion of this amount, which is equal to the amount of discount less gross.

Discounts are available for all customers so that they are enticed to pay earlier or pay in a shorter time. It is sometimes offered in order to improve sales, or reward existing customers. Two types of discounts:

- **Trade Discount:** The reduction that can be incorporated into the list price is termed as a Trade Discount. This discount is offered to every customer, regardless of whether they're making money purchases with credit or cash. The program allows buyers to increase purchases in huge quantities. Discounts are offered depending on the purchase made by the customer.

## Marketing Management Questions and Answers

- **Cash Discount:** Discount that is granted to the purchaser only after he's made an immediate cash payment to pay for the merchandise purchased is referred to by the name Cash Discount. The discount is only available for customers who make the payment immediately. Discounts are recorded on the account's books.

### 59. What is Rebate?

**Ans.** It is a form of discount that is offered to consumers for purchases to deduct the catalog price, and the assessed to pay tax owed or to the tenant in lieu of rental that is more than what is due to be paid.

Rebates are given for customers after their purchase, in amount or value exceeds the limit specified. The amount that is paid to the customer from the seller at the time that they have made a full payment on the purchase is referred to as the rebate. This is an instrument employed by sellers to encourage sales in large quantity. The amount of the rebate offered to the purchaser is decided from the sellers.

This rebate also goes for assessors who are tax payers who pay more than the tax to be due. The money is returned by tax authorities to those who are assessed. Similar to the situation of utility bills and rent it is possible to claim a rebate.

### 60. What are the differences between discount and rebate?

**Ans.**

Objectives	Discounts	Rebates
Definition	The term "rebate" refers to a bargain that a vendor or retailer offers part of a buyer's purchase price when they purchase the quantity (usually of a particular item) in dollars or units.	Discounts are an effective marketing technique employed to entice customers with giving them an additional benefit or reward, typically through a reduction in price prior to purchasing. That means when you receive a bill and pay for the discount cost immediately instead of paying the full amount. Customers, it means you'll feel the pleasure of having to pay lower.
Strategies of different kinds	Strategy for growth and long-term revenue	A short-term strategy to sell and market
Who are they for?	Suppliers -who could also be distributors and manufacturers make use of rebates as a way of convincing distributors to work with them as well as to keep the loyalty of distributors.  Based on our latest report According to our latest report, 66% manufacturers	Retailers, distributors and sellers are able to offer discounts due to a myriad of motives: boosting quick-term sales, removing old stock and rewarding customers who make repeat purchases, and making sure that sales goals can be met. Discounts can be an incentive to customers too. customers can

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Objectives	Discounts	Rebates
	offer rebate programs annually for their clients. Additionally, distributors offer rebate agreements that include 50 of the most popular manufacturers, which accounts for the majority of revenue.	choose a company over another when the cost of an item is reduced enough.
How often is it distributed?	Rebates decrease the price following the purchase.	The discounted price is paid immediately.
Does a written contract need to be signed?	Yes	No
What can be done to manage them?	Our most recent volume rebate survey for manufacturing companies revealed that 75% of them use an ERP system to handle the rebate program. Some use tools such as spreadsheets, customized business tools or software for managing rebates. The best tool for your needs will typically depend on the degree of difficulty you have in the rebates you receive.	Discounts are easy to handle, compared to rebates therefore a spreadsheet could be created for keeping track of these.
What are the advantages?	A rebate is a contract between the seller and buyer to reward different behaviours and to move products in various methods, or to increase or preserve margins.	Discounts are often a way for retailers to improve the reputation of their brand, draw new customers, reduce their inventory, and improve sales.
Are they complicated?	Sure, but rebate programs do not fit all They vary with respect to their degree of complexity.	The discounts you receive are simple and simple to setup.

### Module - 5

#### 61. What is a Distributional Channel?

**Ans.** The distribution channel is the system of people and companies involved in transferring products or services from the source to the consumer. The distribution channels are also referred to as Marketing channels or marketing distribution channels.

#### 62. What are the types of Distribution Channel?

**Ans.** There are three different types of channels for distribution: indirect, direct and hybrid.

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**Direct.** With Direct channel, the business sells directly to its client directly. As an example, a brewery that produces its own beers and then sells it to its customers through its brick-and-mortar store utilizes a direct method of distribution. The retailer delivers the item of service or product directly to its customers. It could also have its own sales team or offer its goods or services via online store. Direct channel method will require vendors to bear the costs of appointing and training sales teams or constructing and hosting an online store.

**Indirect.** Indirect channels make use of multiple distributors or intermediaries for the distribution of products and services from the retailer to its the customers. Direct channels are configured according to the following methods:

- In this Single-tier distribution system, the vendors have direct contact with channel partners, who then are able to sell directly to the consumer.
- With the two-tier distribution model where the vendor sells to distributors who sell services to channel partners who, in turn, pack products for the final client. Two-tier distribution is beneficial for smaller channel partners who might struggle to establish directly sales connections with larger suppliers.

**Hybrid.** Hybrid channels are a combination of the features of indirect and direct channels. They use indirect and direct methods. In the case of a manufacturer, it may offer an item for sale on its website for e-commerce, however after that, an intermediary will deliver the physical item to the buyer. Customers still have an interaction directly with the vendor; however, an intermediary also plays a role.

### 63. What are the Examples of distribution channel intermediaries?

**Ans.** Intermediaries work indirectly to market merchandise, sell or promote products as well as services. The term "intermediaries" is often known as middlemen. Intermediaries can be described as these:

- Wholesalers serve as intermediaries between retailers and retail stores.
- Agents represent an individual or entity. They act as intermediaries between sellers and buyers.
- Brokers are like agents, but are able to represent an entity or person in a limited, per transaction basis.
- Catalogues are a collection of goods that are collected in a book that is distributed on a regular basis.
- Consultants connect distributors and intermediaries in the supply chain and offer guidance on how to market the merchandise efficiently.
- Distributors have direct communication with the manufacturer and are able to sell directly to the end user.
- The retailer buys directly from the manufacturer or an intermediary, and then distribute the product to customers via stores, supermarkets or on websites.
- Independent Software Vendors are companies that offer their products through the marketplace.
- Managed service companies (MSPs) provide managed software solutions.
- Marketplaces online are websites for e-commerce that link sellers and buyers.
- Original equipment manufacturers, also called OEMs, are firms that market an item and promote themselves as the manufacturer who originally created the product.
- Value-added resellers (VARs) are resellers who add value to the item or service before selling the product or service.

### 64. Discuss the level of Distribution Channel?

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**Ans.**

### **Level 0**

It is an example of a direct-to-consumer model in which the manufacturer offers its products directly to the customer. Amazon makes use of its platform to offer Kindles to customers is a prime illustration of a direct model. It's the shortest distribution route that can be found, cutting out the wholesaler and the retailer.

### **Level 1**

The producer directly sells the product to an intermediary who sells the product directly to the final buyer. The level is only an intermediary. HP or Dell has enough size to offer their products directly to trustworthy retailers like Best Buy.

### **Level 2**

Incorporating two intermediaries the second level is one of the longest as it encompasses the producer, retailer, wholesaler and the consumer. In the adult beverage business, the winery is not able to directly sell to retailers. It is the context of a multi-tiered system. This means that it is required by law to sell their product to wholesalers. wholesaler that then sells it to retailers. The retailer will then market products to the final buyer.

### **Level 3**

In addition to the jobber and this includes the one who can assemble goods from several manufacturers, store the products, then sells the products to retailers and serves as a middleman between wholesalers as well as retailers.

## **65. Discuss the Distribution channel in Digital Era?**

**Ans.** Digital technology has revolutionized how businesses operate, particularly smaller ones, use direct distribution channels. In the face of increasing demand from consumers for online shopping, and simple-to-use shopping tools for eCommerce direct selling is a sure way to achieve growth for companies.

Instead of relying on partnerships with retailers in order to market their product the use of software and artificial intelligence (AI) sales technology makes it possible for firms to handle sales and to automatically attain high levels of customer relations control (CRM).

Advertising on social media networks and search engines focuses on particular areas or groups of people as well as social media platforms are becoming the new market standard, and are evolving marketing strategies.

If a business is still using indirect distribution channels the digital platform also allows the company to handle relations with retail and wholesale customers more efficiently.

## **66. What Is the Difference Between Direct and Indirect Distribution Channels?**



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**Ans.** Direct distribution channels include the ones which permit the company or the service company to interact directly with their end-user. As an example, a business who manufactures clothing, and offers them to direct customers through an online platform could be using an indirect distribution channel. However, if this identical company relied on retailers and wholesalers to sell its goods, then they would use the indirect channel of distribution.

### **67. What is Direct Distribution Channel?**

**Ans.** Direct distribution channels are run and controlled by a firm who sells directly to the consumer. If this is the case the organization manages the delivery process in-house (instead of using suppliers) and has sole responsibility to make sure that consumers receive the items they ordered with a high degree of success.

Direct channels take more effort and may cost more to establish. Actually, they could require a substantial investment in capital. Warehouses, logistic systems trucking, the delivery personnel are required to be set up. After that, however the direct channel is likely to be quicker in duration, easier to manage and less cost-effective than the indirect channel.

Through managing all aspects of distribution channels, the manufacturers have greater control over the manner in which their products get to their customers. They could eliminate wasteful processes or add additional services as well as set the price levels.

### **68. What is Indirect Distribution Channel?**

**Ans.** Indirect distribution channels involve intermediaries who perform distribution tasks. Direct distribution liberates the company of certain initial costs and obligations that could reduce the amount of amount of time they have to devote managing the company.

Additionally, with good relationship with a vendor along with the right vendor relationships, indirect channels could be easier to control as compared to a direct channel. The channel can offer a company the support it needs as well as the distribution knowledge that a company might lack.

But indirect distribution could be a source of bureaucracy and cost that will increase costs for consumers, slow down delivery times, and also remove control from the hands of the manufacturer.

### **69. What are the types of channel intermediaries?**

**Ans.** There are four major kinds of channel intermediaries comprising:

#### **Agents**

Agents are an extension of the initial producers and act as the manufacturer when trying to sell the sale. Agents may be individuals or whole companies. They interact directly with clients to market goods as well as services. Agents don't have any control over the companies they represent as well as the goods they sell on behalf of their clients. Instead, they receive commissions for every transaction they complete.

It can also involve persuading the consumer to buy the item by describing the advantages of using it, and also employing different methods of convincing. A good instance of an agent could include an agent for auto salesperson or realtor.

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### Wholesalers

Wholesalers purchase products from companies in bulk, and then sell these products. Wholesalers, unlike agents, own their products and earn money selling the products to other. In most cases, wholesalers earn a profit due to the discounts they get in exchange for purchasing a larger number of items. Wholesalers rarely communicate with the buyer who will ultimately purchase an item. Instead, wholesalers offer the items to retailers with a price higher over what they used for the goods.

### Distributors

Distributors are in business with the manufacturers, and they have a portion of control over the product they market. A few distributors acquire exclusive rights to purchase the product of a particular company to guarantee that they're the sole supplier of the product within the market. Distributors typically sell their products to retailers and wholesalers which means they have little communication with customers.

### Retailers

They purchase their products from channels intermediaries, like distributors and wholesalers, in order in order to offer direct sale to customers. Retailers could be either large or smaller corporations that operate for profit. They typically purchase smaller amounts of merchandise than wholesalers and distributors. Some examples of retailers are grocery retailers as well as department retail stores.

### 70. What are channel intermediaries?

**Ans.** Channel intermediaries are organizations, businesses and individuals who help companies provide its goods to consumers. They are intermediaries between the person who created the product and the customer who purchases the product. Businesses require channel intermediaries to provide products to their clients which makes them an essential component of distribution.

### 71. Who uses channel intermediaries?

**Ans.** Product manufacturers and businesses utilize channel intermediaries in order to provide their items to the public and without having to own or be accountable for the supply chain. Through channel intermediaries, they may earn money from their products before the buyer actually purchases the product. The intermediaries offer logistical assistance and make sure that customers receive their goods on time.

### 72. Importance of Marketing Intermediaries?

**Ans.** Businesses have the possibility of selling directly its services or products directly to its clients. However, it's more lucrative when a company employs an appropriate chain of marketing intermediaries within its distribution channels. Even though it might seem unwise using marketing intermediaries as businesses give some power over the decision regarding who and to what extent the products are sold. However, the accessibility of goods or services customers is made more productive and efficient by utilizing marketing intermediaries. Their effectiveness is their experience, expertise their operations, the scale of

## Marketing Management Questions and Answers

operation and the relationships they have that enable their clients to gain more than the individual accomplishment of a business.

The intermediaries actually reduce the workload of both the customers and manufacturers in seeking out the products they desire. The intermediaries who sell marketing products purchase huge quantities of the different makers. They make a larger variety of this item, however in lesser quantities. This way, intermediaries meet the various demands of the customers to the diverse range of goods from various makers.

### Module- 6

#### **73. What is the Meaning of Promotion Mix?**

**Ans.** Promotion mix refers to the combination of all marketing efforts employed by a company for doing mass scale promotion of its products. It is a mix of various tools and techniques which aims at enhancing sales of a company's products by advertising and reaching among the target market. It creates awareness about products in the market and explains its features to people for persuading them to purchase it. Promotion mix comprises of all types of communication with customers that is of both personal or impersonal type and also includes all distribution middlemen. It is a very crucial element of marketing mix. Promotion mix needs to be properly designed by managers and requires proper understanding of the market field. It must include effective tools of promotion that provide optimum results to an organization as all promotional tools are not equally effective.

#### **74. What is the Concept of Promotional Mix?**

**Ans.** Promotional mix is an element of marketing mix, which decides the results of any advertising and marketing strategies of the companies. The promotional programmes, as well as the advertisements carried out by organizations are considered and carried out according to its promotional mix. This includes a variety of marketing strategies created by professionals with greater expertise and is aimed at maximizing the effectiveness of all promotional activities undertaken by companies. A company's promotion mix is developed after lots of analysis and collecting information on a specific business as well as its intended audience. It includes effective marketing tools. All the effort in the promotion mix that helps brands to create a more appealing image on the market and distinguish itself from other companies. Promoting by business allows them to inform the public about the products it sells and provide them with the required details. It serves as an information channel between the company and its clients to build confidence.

#### **75. What are the elements of Promotion Mix?**

**Ans.**

##### **Advertising**

Advertising is a form of payment that promotes a company's products or services, which is not of a personal character. The process is executed by a sponsor identified by name who is charged the cost of the services he provides for promotion. Advertising is a single-way communication designed to raise awareness of the people and draw people's attention to the brand's merchandise. It's a crucial instrument for reaching a large number of people to inform them of the brand's presence in the marketplace. The company's representatives will not communicate directly with consumers; however, they promote their brand using various sources, including newspapers, television, radio publications, social media sites and direct mail.

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### **Personal Selling**

Personal selling is an element of the promotion mix, where the corporate representatives interact directly with customers. It's a classic form of marketing where face-to interactions are conducted between the client and company agents. This is a form of marketing where a salesperson directly meets with customers during a door-to-door marketing campaign. They provide all the details of the products to convince customers to purchase the item. Personal selling is the costliest technique of marketing that helps to the improvement of buyer and relationships between seller and buyer.

### **Sales Promotion**

The term "sales promotion" refers to all actions to boost sales and buy through offering incentives to consumers. They are offered by the company on a temporary basis. Promoting sales helps businesses to attract both current and potential customers, and thereby increasing profit margins in the short term. These incentives are usually offered in the festive or final seasons with coupons, discounts, sample offers and even payback. Promotional sales are conducted by businesses over a brief period of time in order to draw a huge amount of people.

### **Public Relations**

Public relations are a strategy that is designed to create a positive image for the company in the public. This is the sharing of the information of an organisation on the market to draw the right customers. Public relations are a promotion strategy that decides on how customers respond to a specific name. A variety of public relations campaigns run by an organization to garner the approval of individuals who have a connection to them, whether in a direct or indirect way. The public for an organisation is comprised of employees, customers suppliers, shareholders public, the government in general. Publicity is a most commonly used forms of public relations used to communicate relevant information about markets.

### **Direct Marketing**

Direct marketing can be described as a promotional instrument that allows a company to interact directly with its target audience, with no intermediary. This is an unpaid type of marketing that aims to contact prospective customers rather than the mass media. Direct marketing is a unidirectional contact between the company and customers that takes place to announce new products and bulletins, orders confirmations, and other special promotional events. It can take many forms including text messages mail, faxes web-based alerts, websites and letters to promote.

### **76.What are the advantages of Promotion Mix?**

**Ans.**

#### **Build Awareness**

Promotional mix is an essential instrument used by organizations to creating awareness of its offerings in the market. The latest news on new product launches, the latest methods, deals and any other specifics of a

## **Marketing Management Questions and Answers**

company are made available via the promotion tool. It functions as a communication platform for information flow between clients and the business.

### **Reaches Mass Audience**

It allows businesses to reach across to increasing amounts of individuals. Numerous promotional tools, such as advertisements promotional sales and direct marketing aid getting the attention of a large audience using less effort. The public is fascinated by the brands through appealing promotional messages to connect with the customers in markets.

### **Higher Sales Growth**

The promotion mix can play a vital function in increasing the total sales of an organizations. The business invests a significant amount for promotional and advertising initiatives with the goal of boost their sales. Through the use of various marketing tools, organizations reach out to large population and encourage them to making a purchase decision for their brands of merchandise.

### **Increase Market Share**

Businesses that employ effective methods of marketing are able to gain a significant share of the market. Customers respond positively to brands that employ effective methods to stay dominant on the marketplace through massive scale marketing. People are more likely to purchase products from a brand that are well-known in the market, and also enjoys greater goodwill. Marketing helps build a better image of the brand over its counterparts on the market.

### **Enhance Customer Experience and Satisfaction**

Promotional mix can help businesses to serve their customers more effectively. It's a way through where customers and the company can easily interact with each other. Businesses run a variety of promotional programs which provide all the information about their offerings, which eliminates any confusion that people may have. The availability of all the information can lead to the right purchase decisions for consumers, thereby increasing the level of satisfaction.

## **77.What id the Disadvantages of promotion mix?**

**Ans.**

### **Costly**

Promotional mix is a major expense for businesses. They must hire an extensive number of staff and various media houses in order to advertise their goods and services. Most of the time, these promotions are not able to provide as high a return as the investment through the costs made.

### **Impersonal**

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Promotional events are usually unfocused and ineffective to clear the doubts of customers. They convey a general image of the company, and are not specific to the needs of customers. would like to learn. A lot of times, the questions of consumers remain unanswered, which is non-effective in shaping their purchasing choices.

### **Spoil Brand Image**

The use of promotional techniques by companies to increase sales quickly could damage their brand's image. In the event of huge discounts as well as discounts on products of a particular brand customers may think that the product, they purchase is poor quality product, and that's the reason they are sold at affordable cost.

### **Risk Of Losing Control**

A major disadvantage of promotions is that the company could have no control over the information that circulates about it in the markets. Public relations, a tool for promotion does not always fall under organization's control since what the public reviews say about a brand or its products are not in control. People can spread slanderous opinions about the brand on marketplace.

### **78.What is Sale promotion of promotion mix and detailed elaborate the merits and demerits?**

**Ans.** Incentives for short-term duration, given to lure purchasers to immediately make a purchase of a particular product or service is called sales promotion.

Sales Promotion is a great way to increase the company's sales. Also, it assists other marketing strategies, including sales and advertising. Every activity that offers incentive programs that boost sales in the short term are part of sales promotions.

### **Sales Promotion uses its instruments to**

- Customer as a result of samples and discounts Contests, discounts, etc.
- Middlemen, or traders as a result of cooperative advertisements such as dealer discounts incentive programs for dealers' competitions, etc.
- Salesperson with the help of contests, bonuses or special deals, etc.

### **Techniques for Sales Promotion can be useful due to:**

- They have a brief and immediate impact on sales.
- They aid in clearing stock.
- They attract customers and distribute channels.
- They can help you win against competitors.

### **Merits of Sales Promotion**

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**Attention Value** With the assistance of strategies for selling or actions, businesses have the ability to capture the attention of consumers, because it provides a reason customers to complete purchases.

It is useful in the new product Introduction: Sales Promotion plays an essential role in the event that an innovative product launches on the market. It is possible to get products in free samples or cheap prices. This encourages consumers to check out the new product.

**Synergy with Total Marketing Effectiveness:** Sales promotion aids other strategies for promotion, making it more efficient. This helps enhance the efficiency of promotions in conjunction with marketing and personal selling.

### **Demerits/Limitations of Sales Promotion**

**Reflects Crisis** A frequent employing sales-related techniques could create negative perceptions regarding the image of both the business and its product. They give the impression there's no need for the product. It is a sign of a crisis and a decline in the company's image.

**Spoils Image of Product:** The image of the item is negatively damaged by the frequent usage of marketing activities. The buyers may think that the product isn't good enough or that it isn't priced appropriately this is the reason the business is offering rewards.

**short-term focus:** Sales promotion tools have limited and short-lived life.

### **Sales Promotion Activities/ Techniques**

**rebate:** Offering products at an amount lower than the cost of the original item to get rid of excess inventory. This is known as a rebate. For example, providing Pizza for INR 250 instead of 500.

**Discount** The reduction in some percentage of the cost for a specific period of time is called a discount. Discounts are offered to encourage buyers to purchase more. Examples include 50% off in Nike Stores.

**Returns Under the Refunds,** portion of the cost will be refunded to clients upon showing evidence of the purchase. As an example, Swiggy and Zomato offer cashback when you pay using some applications.

**Product Combinations:** Giving the product an incentive to the purchase of a primary item is referred to as a product combination. As an example, Disney + Hotstar subscription is free when you recharge your Airtel recharge.

**Quantity Gift** When we provide an additional quantity of our main product to the client It is called a quantities gift. As an example, we offer 10% more Lays included in every package.

**Instant Draws and Gifts Assigned:** In this, companies provide schemes such as scratch cards that allow you to receive instant gift cards upon purchase of the item. In this case, Utensils companies offer scratch cards to its customers.

**Lucky Draw** In this system, the customers get coupons with purchases of goods and lucky winners are determined by a drawing lotto's. The winner of the draw receives a reward. Like, for instance, you can win a Lucky draw ticket on purchase of clothing from Shoppers Stop worth Rs. 5000 or more.

**Usable Benefit** Under this condition, coupons or vouchers for discounts can be given to the customer upon the purchase of an item in order to get a specific benefits or discounts. Like, for instance, purchase Asian Paints for your house and be eligible to win a vacation package to Bangkok.

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**Full Financing @ 0%** Under this policy, the products are purchased on an installment basis, at zero percent. In other words, Buy Samsung Washing Machine with interest of 0% and pay over 35 instalments. But the customers should be aware of the charges involved associated with such programs.

**sampling:** It is distribution of the free sample of a product by sales reps. Most commonly, everyday products including soaps, detergents and toothpaste. can be distributed through this technique. The method is typically employed at the time of the launch of new products by a firm. As an example, you can get miniature lipsticks for free Maybelline New York Lipstick.

**contests** Under the HTML0 - Contest model, organizations organize events and people are invited to participate in the events and receive prizes and other presents. As an example, a contest could be to create the logo of a firm with the most appealing label will be included on the first 100 items.

**Container Premium** These contain special container or containers that serve to store goods, that can later be reused by consumers. For instance, jars filled with cakes, milkshakes could be utilized in the kitchen to store milk, spices or other liquids, for example.

**packaged premium:** In this case, the present is placed in the package. It is contained in a limited supply and the thrill of winning the gift encourages consumers to purchase the items, thereby increasing the sales. Like, for instance, there are silver coins that can be found in soaps.

### 79. What are Characteristics of an Effective advertisement of marketing management?

**Ans.** Advertising is an important method used by a manufacturer to launch their product or service on the marketplace. In addition, it aims to educate the customer about the safety of handling the product. In addition, it outlines the distinct, unique features of the product to make the product more appealing to consumers.

Advertising can be done using a variety of forms of media like newspapers, TV programs, magazines, and display of Hoardings or Banners on streets as well as National Highways. Today, it can be done through various movies and videos that are posted on different websites for marketing or on other well-known websites that are available on the online.

But a successful advertisement must have the following characteristics.

**1. Maximum reach** - Advertising should be carried out in an approach and in the appropriate medium to ensure that it is able to reach the greatest amount of those who could be potential customers at the same moment. This is why hoardings at National Highways, or publicity through Railway trains, or Public Transport Buses is good method to reach this goal.

**2. It should be cost-effective** - The issue of the economy can be found in any type of expense in industry and advertisements are in no way an exception to the standard. Advertising is a major expense. advertisement budget ought to be economical due to their wide-spread message that generates excellent results as a result of increasing customers and sales. The best promotion can be achieved through the efficient use of available resources.

**3. attract customers** The language and phrases, the ideas that advertise the product or service should be in a position to grab the attention of consumers and draw as many potential customers as they can at any time. If this is not met, it might not be transformed into inquiries from customers which will result in sales.



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**4. It must be capable of convincing individuals** The most major goals of advertising is to convince people that you are able to convey the message that you communicate through advertisements. It should have a persuasive impact and create anxiety for the customer to look at, and try and use the item advertised by your advertisement. It should be able to convince prospective customers about its excellent qualities and benefits. It needs to be able to convincing users with the help of statistics, stories of satisfied customers, or receiving praise by way of an prize for the best qualities of its attributes.

**5. It has to keep customers** informed that it is a constant source to live a more healthy or a healthy lifestyle, etc. It should emphasize its concern with the health of its customers throughout the day.

**6. It has to be trustworthy worth it** The advertisement should be honest and unbiased about the nature regarding the products. The advertisement should not portray a false and irrelevant perception of the product from what it actually is. That would constitute being deceitful or cheating clients. If the customers are unhappy and aren't able to find goods conform to what is shown in the advertisement could bring the business to court in order to recover the losses incurred and in the case of misleading customers.

**7. It should be in line with the established guidelines for advertising** In addition, the careful consideration must be given to ensure it's ethical with respect to every aspect. It is not causing any harm to society or causes outbursts of resentments against the brand or the product or their advertising. Ethical Guidelines established within the guidelines should be adhered to.

# Marketing Management Questions and Answers

## Module- 7

### **80. Write about the Introduction to Integrated Marketing Communications (IMC)?**

**Ans.** Integrated Marketing Communications (IMC) is a marketing strategy in the 90's. It is essential to survive into the 21st century. Integration will force marketers to take an enlightened approach to all of the elements of marketing, focusing on the distinct aspect that public relations add into this mixture of marketing. People in public relations have seized the chance which integration provides them to improve their performance in the areas that matter most to their customers and businesses in the end of the line. IMC is the result of a shift in thinking that started during the post- World War II period, moving away from selling the products and services that manufacturers make into creating those products and services that customers desire. IMC is focused on what consumers need you need to know about the product or services and not on what marketer wants to convey in order to promote them.

Integrated Marketing Communication is defined as the co-ordination and integration of every marketing communications tool, channels and resources within a firm to create a seamless system that increases the effects on both customers as well as other users of the program with a minimum of expense. This integration affects all firm business-to-business, marketing channel, customer-focused, and internally directed communications. This is a concept of management which is developed to ensure that the entire marketing communications comprised of marketing, sales promotion, public relation as well as direct marketing are an integrated force, and not each marketing communications working in isolation. Additionally, it serves as an extremely aggressive marketing strategy as it creates and follows the marketing strategy that collects and makes use of the vast amounts of data about consumers. Additionally, it makes sure that all types of communication and communications are tied together in order to reach a particular objective.

### **81. What are the Evolutions of Integrated marketing communications?**

**Ans.** Integrated Marketing Communication is a plan-of-action trade process used to plan, enhance and implement an ad-hoc and compelling product communication courses beyond time and space through consumers and consumers, probabilities, and other targets in the form of exterior and interior viewers.

Marketing communication integrated emerged from the necessity of the marketing association to move beyond functionally driven, by paying close attention to communications and marketing. It attempts to move focus beginning with a front to back inside direction, then a front to back that is in front and rear. It has a variety of both customary and non-customary communications tools and techniques for sending out mail to customers and potential customers, as well as other primary viewers. It organizes every action to achieve equilibrium and also empathy. In contrast the integrated marketing communications, since it was taught by primary association does not conclude with the synchronized distribution of memos. The main goals of Integrated marketing communications is to establish consumers-driven awareness and trading practices across all sides of the organization and also its business to include a rate for customers and to provide a framework that allows for allowances to sources and to make it possible for sustainable ready to action positivity's.

### **82. What are the Integrated Marketing Communications Process?**

## Marketing Management Questions and Answers

Ans.

**Determine the target audience:** Promotional procedure must begin with finding the audience you want to target applying segmentation. It is the process of defining buyer preferences and other characteristics of consumers and breaking the buyers into groups. It is the goal of identifying specific target groups is to create promotions that will fulfill the expectations of consumers with greater precision. Therefore, IMC is a way of integrating and co-ordinating with all kinds of marketing promotional tools to maximize the satisfaction of customers will be an extremely valuable tool for the business's marketing strategies. It is this because IMC could assist the firm by supplying customer databases marketers and sellers to find specific information about customers and precisely.

**Set the objectives of communications:** In the second step, companies must establish a specific objective and the objectives of their promotional strategies. Strategies for promotion consist of creating products and service perception in the buyer's minds, establishing competitive advantages over rivals and establishing brand equity for customers, keeping current buyers as well as changing buyer behaviour. In addition, Integrated Marketing Communication (IMC) produces various kinds of promotional instruments, that contain different purposes to fulfil the objectives of communication of promotional strategies efficiently and effectively.

**design messages:** Effective messages can draw the attention of customers and keep their attention towards the information about the brand's products. Thus, the promotional department of a company should use IMC when designing messages that they that they send to every segment to ensure that the messages to be effectively delivered. Though a customized message may be tailored specific to the target segment can be created with the help of several tools for promotion within the IMC procedure, the promotions' messages should follow the same concept and message. This is due to the fact that all promotional tools are required for the purpose of achieving similar communication purposes and goals for the organization.

**Implementation of the promotional strategy** Promoting channels are divided into two groups, that is, personal communication as well as non-personal communication channels. When incorporating IMC to the strategy for promotion is to choose and apply the appropriate strategies and marketing channels. Each channel is not able to dominate across all areas and this means the channels must be adapted to market needs and shifts periodically. It has been proven IMC that integrates and coordinates across all kinds of marketing channels for promotion can prove beneficial in the execution of marketing strategy procedure.

**Feedback collection:** Finally, the firms are going to conduct some questionnaires to gather some input from the intended public as the last step of the IMC procedure. For instance, the firm will want to know how effective the message was communicated to the audience that it was intended for and how often the public has seen the commercial or people remember messages marketers intend to communicate and. In the light of that information data, the company will prepare an investigation into the behaviours generated by the advertisement, like what percentage of target customers purchase the item or shop at the location following the advertisement. This information is relevant to the business's marketing tactics since it directly impacts the amount of revenue, sales, and profits. It could also directly reflect the effectiveness of promotional tactics used. Therefore, this data is available from the customers database in order to provide more precise and trustworthy feedback.

**83.What is AIDA Model?**

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**Ans.** AIDA marketing model AIDA marketing approach is an type of marketing, sales and advertising approach created to offer insights into the thoughts of customers and outline the actions needed for cultivating is the main reason and increase and generate.

The AIDA model was created by the businessman Elias St. Elmo Lewis during the latter part of the 19th century. It is an acronym. AIDA can be broken down into essential steps for a effective marketing: Attention Desire, Interest (or in some variants the term Decision) and the action. The AIDA marketing framework is a fundamental element of modern-day marketing in the sense that omitting any one of the steps is thought to be almost certain of a failed end result.

### The four phases of AIDA comprise:

- **Attention** - In order to make consumers aware of their offerings the marketer must be noticed and draw attention and absorb the media. Different strategies are employed to attract the attention of prospective customers such as placing advertisements in an unorthodox however noticeable location. personalized messages, such as the ones used in one-to-one advertising can be more difficult to overlook as opposed to generic propositions. Advertising that is shock value including the use of graphics can also draw attention through stimulating strong emotional reactions.
- **Interest:** The interest of the customer must be aroused and held for long enough for them to learn more regarding the product. A way to keep the interest of customers is to present concise and easily-paced information that is presented with a compelling character the voice actor, or even an mascot.
- **Desire (or decision)** A desire is typically created by selling the product's strengths, demonstrating the superiority of the product over its competitors as well as demonstrating its flexibility. In essence, it's the performance of a as well as service's value offering or the convincing advantages that entice a buyer to choose this specific product which leads to the choice to buy.
- In the event that the buyer is at this point it is likely that they are interested. The last step is to close the deal and persuading the buyer to take action based on their interest this could involve defying the objections, and introducing a call to take action (CTA). When you make a CTA the item may be offered at a lower price, which is then reduced usually to around one-third of the price. Some products may be available for sale two-for-one or even including free shipping. The ability to increase the perceived value could encourage the undecided buyer. But, if all the other measures are done correctly, customers will have a favourable impression of the product, even if they do not decide to purchase.

### 84.What are the Barriers of Integrated marketing communications?

**Ans.** Despite the numerous profit margins, Integrated Marketing Communication has several barriers. In addition to the usual tension to adapt and to the particular challenges that come with being connected to the vast array of people, there's also an obstacle that hinder Integrated Marketing Communication. While some businesses employ integrated marketing communications for its advantages in terms of vascularity, others aren't keen on using this method due to a variety of reasons.

Functional Silos The support, resources, and the direction of management are essential to create an integrated and successful marketing communication campaign. The role of the upper management is to ensure that all resources are used well-organized, whether it's budgets, data sharing or individuals across teams. The issue today is that integrated marketing communications aren't under manage by just one person. Every manager involved in the process of transmitting information are required to collaborate in managing the entire process. This means that every manager of the advertising team as well as the public relations team marketers too have to work together on the way to deliver details about the products and services of the

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business to customers who are the intended target. If the responsibility is distributed across all the team leaders it can be difficult for a member of the upper management. This can create a hurdle for integrated marketing communications.

Limits the ability to think: IMC can restrict the creativity. There is a myriad of teams that are involved in the launch of an integrated campaign for marketing, each group must make sure that every task carried out should be in accordance with the overall objectives and the message of the marketing campaign. In this instance, if the promotion team comes up with a unique idea for a contest, it should be in line to the overall goal of the campaign for the purpose of ensuring communication efficacy. If it does not meet the requirements of goal-based marketing and objectives, it will not be applied by the team in question regardless of how impressive its level of imagination appears. Every team has to be able to follow a unified plan of action in order for a uniform message that we want to convey an appropriate message to our customer.

Insufficient Resources If integrated marketing communications are used and implemented, it is required for every employee of the company to participate in the process of transferring information to customers. Therefore, to ensure that the transmission of consistent relevant information is carried smooth, every staff member within the company must have the skills and knowledge to execute the strategy. As knowledge and expertise are essential for employees, certain staff members are given instruction in fields they are not have a good understanding of to ensure that they are able to effectively communicate information regarding the product and services offered by the business. Thus, it can increase the cost of running a business, and it becomes more expensive to use integrated marketing communications. Additionally, integrated marketing communication will require proper planning as well as timing management in order to help the transmission of messages effective. If the marketing staff is unable to complete their task in any way, this will impact the task of selling due to their interdependence. Thus, the process of transmitting information can be less effective as you implement integrated marketing communications.

Different corporate cultures: Marketing communications integrated generally comprise more than one business working together a marketing campaign. In the case of pitching stories for publication regarding a new product is handled by the PR firm, while an advertisement for print could be created through or through an advertisement agency. It is a problem when every business is involved in the transmission process for customers. is that they operate within their particular culture. However, when the process is integrated with a brand-new corporate style, the results are not always a positive one. One of possible obstacles a company must conquer in the case of integrated marketing communications. In this case, for instance, the advertising business may adopt a more an unpretentious approach to finishing tasks with very little or not paying attention to the deadlines looming, however the firm for public relations could be driven by deadlines. The different cultures of the businesses could result in the process of integrated marketing communications to be not to be as effective in executing.