Bank Probationary Officer
Marketing Aptitude
Marketing Mix

Marketing Mix

- Marketing Mix is the policy adopted by the manufacturers to become successful in the field of marketing.
- Marketing Mix refers to "the combination of all marketing resources and marketing efforts of an enterprise through which predetermined objectives may be achieved and maximum satisfaction may be provided to consumers".
- Thus marketing mix is the combination of four elements (4Ps) viz-product mix, place (distribution) mix, price mix and promotion mix. These elements are taken as the instruments for market planning. So marketing manager should have thorough knowledge about the four elements of marketing mix.

Product Mix:

- The product itself is the first element in marketing. Product must satisfy the consumer needs. The management must first decide the products to be produced based on the needs of the consumers. The product mix combines the physical product, product services, brand and packages. Product mix covers all ingredients that constitute the right product. The ingredients may be of the shape, design, style, brand, package, quantity etc. On the basis of marketing information marketers can take decisions of product addition, modification, deletions etc.

Price Mix

- The second element to effect the volume of sales is the price. Price is the exchange value of a commodity expressed in terms of money. Price is the key element in the marketing mix as it relates directly to the generation of total sales. It is the amount of sales that determines the profit, which is the measure of success of a business unit. Price mix is the combination of the decision variables like pricing objectives, pricing policies, terms of credit, discount and allowances etc.

Place Mix (Distribution system)

- Physical distribution is the delivery of products at the right time and at the right place. The distribution mix is the combination of decision relating to marketing channels, storage facility, inventory control, location, transportation, warehousing etc.

Promotion Mix

- Promotion is basically a communication process. Products may be made known to the consumers. Firms must undertake promotion work including advertising, sales promotion and personal selling. The complexities of modern marketing made the promotional activities significant in marketing. Promotion is the persuasive communication about the products by the manufacturers to the public. Promotion mix is the combination of decision variables like advertising, publicity, sales promotion, personal selling and public relations.

The marketing mix is important on the following ways

1. Helps in understanding the important tasks of marketing.
2. An important tool of marketing programme.
3. Promotes better utilization of limited resources.
4. An effective tool for problem solving.
5. Provides customer satisfaction.
6. Helps in goal-achievement
7. Facilitates communication.

Factors affecting Marketing Mix

- The factors influencing marketing mix are classified into two. They are internal factors and external factors.
- Internal Factors: There are certain factors which can be controlled by the marketing management. They are called internal factors. Some of them are given below:
    1. Product Planning: A wise product policy is essential to meet the market demand. The plan includes introduction of products and modification of products to suit the demand and elimination of unprofitable lines.
    2. Price: It deals with price competitions. A reasonable profit is aimed at by the offerer, and the price of the product is fixed to suit the market.
    3. Branding: It must create a particular image in the minds of the consumers. Decision of the trade mark is important in developing the products.

4. Personal Selling: Personal selling is good to increase the sale and at the same time to know the consumer's needs and desires.
5. Sales Promotion: The marketing manager makes out programmes to increase the sales through exhibitions, displays, advertising etc. The aim is to inform and persuade the customers to buy the company's product.
6. Physical Distribution: It includes the channels and distribution, transportation, warehousing, inventory control etc. Distribution is the delivery of products at the right time and at the right place.
7. Market Research: Market research is a system by which one can analyse the market conditions. It helps a marketer in formulating the policies by which the product reaches in an efficient way in the hands of the consumers.

- External Factors: External factors are also known as uncontrollable factors. These are the factors that are beyond the control of the marketing management. These include the following.
  1. Consumer's Buying Behaviour: Consumer's buying behaviour is affected by buying hab its, buying power, motivation in buying, living standard, social environment, technological changes etc.
  2. Trader's behaviour: The behaviour of intermediaries - wholesalers or retailers, and their motivations, practices, attitudes etc. affect the marketing of the products and its volume.
  3. Competitor's Behaviour: New business firms come up which invites competition among the industrialists. The competition may be of supply and demand of the product, choice offered by the consumers, technological changes, new invention etc. The marketing manager must be vigilant about the market trend.
  4. Governmental Behaviour: The marketing manager should consider the rules and regulations of the Government in respect of products, pricing, competitive practices, advertising etc. Firms have no control over the laws.

Marketing Process

- Marketing is a process by means of which goods and services are exchanged.

Marketing process involves three major activities:

1. Concentration, 2. Equalisation and 3. Dispersion.

1. Concentration aims at the collection of products at a central place. Agricultural products, dairy products etc. are collected at a central place from innumerable farmers scattered over a wide area. Moreover, some components are to be collected from different sources at a central place. So concentration is essential for assembling the final products.
2. Equalisation implies the reconciliation between demand and supply through storage and transportation in the required quantity and quality at the required time and place. It is the process by which demand is adjusted to supply. It is aimed at regular supply of goods which are produced in a particular season, but consumed throughout the year. The purpose of this function is to create equilibrium.
3. Dispersion means the distribution of goods from the central location. Some of the products are distributed to manufactures or processors and the remaining are dispersed to final consumers through wholesalers, retailer's agents, middlemen etc.

Marketing Functions

- "Marketing functions refer to all those operations and activities that are essential for facilitating the movement of goods and services from the place of production to the place of consumption."
- Clark and Clark classified marketing functions into three heads as 1. Exchange functions, 2. Physical supply functions and 3. Facilitating functions.

Storage and Warehouse

- Storage: Storage is an exercise of human foresight by means of which commodities are protected from deterioration and surplus supplies are carried over for future consumption. Storage is one of the physical supply functions of marketing. Preserving of goods for future use is common. Storage involves the preservation of goods between the time of production and the time of use or consumption.
- Need/objectives of storage: Storage of goods becomes necessary on account of the following reasons.
  1. To enable uniform consumption of goods
  2. To enable seasonal consumption of goods
  3. To protect the goods
  4. To adjust supply with demand
  5. To take price advantage.
  6. To protect against delay and uncertainty in transportation.

Warehousing

- The functions of storage is performed through warehouses. Warehouses are the places where the goods are stored. Warehousing refers to a specialized process of storing of surplus goods for the use of consumption in future.

Differences between storage(a) and warehouse(b)

1 (a) It is generally located near the factory
(b) It is usually located near the market

2. (a) Storage is a marketing function
(b) Warehousing is a tool of storage

3. (a) Its aim is for personal use
(b) Its aim is for commercial purpose

4. (a) Additional marketing functions cannot be performed.
(b) Additional functions like grading standardization mixing packing etc. can be performed.

5. (a) It gives facility for stocking raw materials and finished goods
(b) It is meant for final products

6. (a) It is only a holding place of goods
(b) It holds goods as a distribution place.

Logistic Management

- The concept of logistics as an integrative activity in business concept has developed within the last twenty years. Logistics is the process of strategically managing the movement and storage of materials, parts and finished inventory from supplier through the firm to consumers. It begins from sources of supply and ends at the point of consumption. It covers two aspects - physical supply and physical distribution. Physical supply or material management is the movement of raw materials to the plant. Physical distribution is the flow of finished products from the plant to the customers.
- Logistics management task is concerned with the integration and co-ordination of marketing activities in a way that end markets are served in the most efficient way. The purpose of logistic management is to reduce the transportation cost by adding warehousing information system.

Standardisation

- Standardisation and grading provides the ethical basis for marketing transactions. The development of standards of weights and measures is a proof of an ethical advance of human race.
- Standardisation is the process of formulating and applying rules for an orderly approach to a specific activity
- Standardisation involves: a) the determination of basic limits or grades b) the establishment of model processes and methods of producing, handling and selling goods and services.

Grading

- Grading is the process of sorting individual specimens of a given product to the standard grades or classes to which they belong. To grade means to devide the products into different groups according to their common characteristics in terms of type, size, colour, weight, shape etc. Established standards are called grades. Grading is a part of standardization. Grading starts where standardization ends
- Grading enables to compare the values of different qualities of a product in the market and the difference in price of the same grade in different markets. So grade has become a part of the price structure of the commodity.

Marketing Risk

- Risk is a universal function and is present in one form or the other in all marketing transactions. Risk in marketing may be defined as "uncertainty with regard to cost, loss or damage".

Causes of Marketing Risk

The various reasons responsible for risks are the following:

1. Unexpected loss from fire, flood, storm etc. (called natural causes of risk.) The loss may also be due to burglary, strike, war etc.
2. Risk of deterioration quality due to the perishable nature of products or due to improper packing and storage.
3. Improper handling of products
4. Risk due to political causes
5. Risk due to managerial causes of poor planning, mismanagement, lack of supervision etc.
6. Loss due to competition.
7. Loss due to demand and supply and fluctuations in prices.
8. Risks due to accidents while goods are in transit.
9. Risk due to variations in purchasing power of consumers.
10. Government interference by imposing taxation, duties etc. and by changes in export - import policy, licensing policy etc.
11. Risk of obsolescence due to technological developments and innovations.

Risk due to changes in market conditions (Economic Risk)

- Marketing risks are greatly due to price fluctua

tions by market conditions. Economic risk may be grouped as:

a. Time risk, b. Place risk c. Competition risk

1. Time risk: Goods are produced in anticipation of demand. They are expected to be sold at a good price to earn profit. Sometimes the anticipated price is not realized. The wholesalers and retailers face such risks due to the adverse changes in the demand from the consumers when they cannot sell the products stocked and have to bear loss. This will lead to heavy loss to the producers. Thus time factor assumes prime importance on the market risk. Change in price is seen with the passage of time. This is due to improved products offered by competitors or new inventions as a result of scientific research or changes in customer preference.
2. Place risk: The price of a product may be different in different markets at the same time. The demand and supply pattern differ from one market to another. This is because of price which is based on demand and supply of the product. When the price in the sellers market is lower than that of the buyers market, the retailer has to bear loss. Such losses are due to the lack of information about market demand. The advancement in communication minimizes such risks. The existence of such risks leads to price differences.
3. Competition risk: Mass production and selling is followed by keen competition among the marketers. The absence of competitive attitude will cause closure of the firm. In order to improve the quality and durability of goods or to lower the prices or to adopt the best method of selling, a competitor may change the method of production. All these cause the price reduction or divert the demand in the market. So every marketer must be conscious in the actions of competitors.

Hedging

- Hedging is a form of protection against an economic risk. Usually there risk of price changes which effected by offsetting against one another of two transactions involving risk of opposite character. The object of hedging is not to earn profit but to insure against loss.

Marketing Finance

- Financing, as a marketing function involves the use of capital to meet the financial requirements of the agencies engaged in various marketing activities. Marketing finance refers to "the service of providing money and credit needed to meet the costs of getting mercandise into the hands of the final consumer."
- Finance is the life blood of any industrial or commercial undertaking. In a modern money making economy, finance may be defined as the provision of money at the time it is wanted.

Marketing finance is important on the following grounds:

1. Time gap between purchase and sales is bridged by marketing finance.
2. Provision of trade credit helps to maintain cordial relation with customers
3. Capital and revenue expenditure involved in the process of marketing are met by marketing financiers.
4. Financial soundness of a firm will increase its good will.
5. A firm having sound financial background can enjoy the benefits of cash purchases.
6. A marketing firm can face the price fluctuations and changing market conditions, if it is properly financed.

Product Planning

- The product is the most tangible and important single component of the marketing programme. A product is both "what a seller has to sell and "what a buyer has to buy". The product policies from the corner stone of a marketing mix.

Features of a product

1. Tangiblity: An item to be called a product should have a tangibility. It should be capable of being touched, seen, smelt or felt. Car, soap, TV etc. are examples of tangible product
2. Intangible attributes: The services like banking, transportation, storage etc. are also products i.e., the products are intangible in the form of services.
3. Associated attributes: Product may also include associated attributes like brand, package, label, warranty etc.
4. Exchange value: Products are meant to satisfy consumer wants. So they must have exchange value and are capable of being exchanged from the seller to the buyer at a price.
5. Consumer satisfaction: The products should have the ability to satisfy consumer wants and needs.

Classification of Products

1. On the basis of tangibility, products are classified as tangible products, and intangible products (services).

- Tangible Products: Tangible products are those which can be touched, seen or smelt. Tangible products are further classified as durable goods and non durable goods or fast moving consumer goods (FMCG).
- Durable goods are tangible goods that serve many uses. Refrigerators, furniture, TVs, clothing etc. are durable goods. They normally require personal selling.
- Non durable goods are also tangible goods which normally serve one or few uses. Examples are soap, salt, tooth paste etc. These goods are used fast and purchased frequently.

Intangible Products (Services)

- Intangible products are benefits or satisfactions or considerations that are offered for sale and are satisfying human wants. Examples are haircuts, repairs, medical treatment etc. Services are intangible, inseparable, variable and perishable.

2. On the basis of purposes of purchase

- On the basis of the purpose for which goods are purchased, they are classified into two - (i) Consumer goods (ii) Industrial goods.
- Consumer goods: Consumer goods are the goods purchased for final consumption. These are marketed to households and ultimate individual consumers. Eg: shoes, tooth paste, shirts, watch etc.
- Consumer goods are further classified into three on the basis of consumer's buying behaviour and attitudes. They are: a) Convenience goods, b. Shopping goods and c) Speciality goods.

a. Convenience goods: These are the goods bought frequently and immediately by the customers with minimum shopping efforts. Examples are groceries, newspapers, soaps, cigarettes etc. The purchase of them cannot be postponed or they are not purchased much in advance of consumption time. Convenience goods are further classified into three as follows -

i. Staple goods: These are the goods purchase by consumers on regular basis.
ii. Impulse goods: These goods are purchased by the consumers without any planning or searching efforts.
iii. Emergency goods: These goods are purchased by the consumer for meeting urgent needs.

b. Shopping goods: These are the goods purchased after a comparative analysis of quality, price, brand, warranty etc., of competitive products. These are purchased after some shopping efforts. Examples are television, furniture, shoes, music system, scooter etc.

c. Speciality goods: These are unique in nature and hold special importance to the consumer. The buyer usually has knowledge about the product and desires them because of strong identification or interest. These are purchased with special efforts. Jewellery, cars, etc. are examples.

d. Unsought goods: These are the goods that the consumers do not know about or do not normally think of buying. The best example of unsought goods are life insurance policies, investment schemes of Investment Companies.

e. Industrial goods: Industrial goods are those goods purchased by individuals and organizations for further processing or for use in conducting business. A particular product may be an industrial product or a consumer product based on the purpose for which it is purchased. These are the goods not purchased for final use. The demand for industrial products depends on the demand for consumer goods. Industrial goods include raw materials, equipments, fabricating goods etc.

Product Planning

- Product planning is the starting point of entire marketing programme in a firm. It involves all activities which enable producers and middlemen to determine what should constitute a company's line of products. Product planning decides the nature and other related aspects of the articles produced and sold.

Objectives of Product planning

1. To strengthen the company's ability to survive critical conditions.
2. To effectively utilize the company's resources in profitable product lines
3. To design the products to satisfy consumer needs and expectations.
4. To evaluate the strength and weakness, if any, of the company.
5. To decide the optimum product mix with a view to increase sales revenue.

Product Development

- Product development is the technical activity of product research, engineering and design through the collective participation of production, marketing research and engineering departments.

Product testing:

- Once a product is developed, next step is to put it into few selected markets. It means to put the new product in few selected markets with a view to identify whether the product performs up to the promise of the product concept. This will enable the management to pick out the likes and dislikes of the consumers towards the product. It also gives an opportunity to the buyers to compare the product with its rival products.

  The objectives of the product testing are the following.

i. To assess proper product performance.
ii. To minimize the risks attached to full-scale launching of any product.
iii. To identify the most productive market segments.
iv. To collect necessary data about the response of the customers.

Branding

- Branding is an important aspect of product planning. It is the practice of identifying a product or line of products by a special name or symbol or design or a combination of them to identify the products of a particular producer

1. Brand: A brand is a name, term, symbol or design or a combination of them which is intended to identify the goods or services of one seller or a group of sellers and to differentiate them from those of the competitors. A brand includes a brand name and a brand mark. Example Usha fans, Samsung TV etc.
2. Brand Name: Brand name is a part of a brand consisting of a word letter, group of words or letters comprising a name which is intended to identify the goods or services of a seller or a group of sellers and to differentiate them from competitors. In the words of American Marketing Association (AMA) "A brand name consists of words, letters or numbers which may be vocalized.' Usha fans, Sunlight soap, Dinesh beedi etc.
3. Brand Mark: A brand mark is that part of the brand which appears in the form of a symbol, design or distinctive colouring or lettering. It could be recognized only by sight but are not pronounceable. Example, the symbol of Bombay Dyeing or Airlines.
4. Trade Mark: When a brand name or brand mark is registered and legalized, it becomes a trade mark. A trade mark is a brand or a part of a brand that is given legal protection, because it is capable of exclusive appropriation. It is duly registered under the Trade Name and Trade Marks Act. It is the exclusive right of the seller to use the brand name or brand mark. The letter 'R' in a circle ® on each package will indicate that the brand is duly registered. Trade Mark is a legal term protecting the manufactures right to use the brand name or brand mark.
5. Trade Name: Trade name is often used interchangeably with trade mark or brand name. A trade name is the name of business preferably the name of the organization itself. A trade name may sometimes be a brand name. In such a case it brings out the identity of the manufacturer and the product. GODREJ is both trade name and brand name for most of their products. (example, Godrej locks, Godrej Soaps etc.) TATA is solely a trade name of the company producing various products such as, Jasmine soap, hair oil etc.
6. Patents: Patents are public documents conferring certain rights, privileges, titles or offices. It confers the right to the use of a technical invention. It is applicable in the case of a new invention such as a new process, a new product or a new machine. When a new invention is made, it is registered so that an exclusive right is obtained by the inventor to use it.
7. Copyright: This is applicable in the case of books and is used in the same meaning as that of patents. It is a sole right to reproduces literary, dramatical, musical or artistic work. Copyright extends to the author's life time and till fifty years after his death. Sometimes copyright is vested with the publishers.
8. Brand Loyalty: Brand loyalty means commitment of buyers to a particular brand. It is the strong attachment of a buyer towards a particular brand. If a customer has a brand loyalty towards 'Colgate' he will purchase and use only that tooth paste.
9. Brand Equality: It is the intrinsic value of a brand in terms of money a consumer is willing to pay for it in preference to its rivals. Brand equity may be defined as the power and value that a brand adds to a product. Some brands are popular, but some other are unknown to most buyers. Popular brands have high brand equity. The value of a brand is called brand equity. Just like other physical assets, companies recognize the value of brands. They assume more value to established brands. A powerful brand has high brand equity.

Reasons for Branding

1. Brands are powerful instruments for sales promotion.
2. Brand facilitates easy advertisement and publicity.
3. It creates special consumer preference over the product.
4. Sales can be increased through brands.
5. It enables packaging.
6. It ensures standard quality.
7. It helps in labelling.

Patents for Invention

- A patent is a legal protection for an invention. In order to be patentable the invention must be new, or uncommon involving some inventive step and must be capable of being manufactured industrially. A patent once granted for an invention is an intellectual property which remains in force for a specific period of time.

Product Packaging

- Packing is the process of covering, wrapping or creating goods into a package. Packing is done for the purpose of delivering the articles to the consumer or for transportation.

Packaging

- Packaging as an industry has two sectors-those who make packaging materials and those who convert these materials into packages.

AIDAS Formula

- In packaging decisions also AIDAS formula is applicable. 'A' stands for attention, "I" for interest, 'D' for desire, 'A' for action and 'S' for satisfaction. It is generally used to measure the effectiveness of demand creating activities like advertising. As packaging is indirectly helpful in promotion this formula is applicable here also. Even after a package is designed, it is put to test to know the response of customers.

Labelling

- Labelling is another product feature which requires managerial attention. Packaging, labelling and branding go together and constitute an integral part of product planning. Label informs the consumer about the product. A label describes the nature, contents ownership, destination, methods of uses, price, quality etc. of the product.

Pricing

- Pricing is a crucial decision in marketing. Pricing means determination of selling price for a product or service. Price means exchange value of commodity expressed in terms of money. The relationship between price and sales volume is inverse. As the price decreases, volume of sales increases and vice versa. So a sound pricing policy should be adopted to have maximum sales revenue.

Importance of Pricing

The following are the reasons why pricing is important in marketing.

1. It helps to attain the objectives: Marketing objectives are attained through proper pricing policies. Pricing decision is important for its direct and indirect impact on profit.
2. It is an economic regulator: The market price of a product influences wages, interest and profits. The price is a matter of vital importance to the buyer and the seller. When the prices are agreed upon, transaction between buyer and seller takes place. Prices are important economic regulators.
3. It denotes the quality of products: A firm must fix the right price for its products. It shall not be too high or too low. Consumers compare the prices of different products. Price often denotes quality in the mind of the consumer. A high price is considered as an indication of high quality. In case the quality is not up to the mark what the consumer expects, he feels that price is high. Thus pricing is a critical decision.
4. It influences demand: The market demand of a product or service depends on the price of the product. Price will affect the firm's competitive position and its share of the market. It affects the volume of production and the amount of profit. Prices are important for consumer because all their buying decisions are influenced by prices. Price reflects the purchasing power of money. It also determines the standard of living of the people.

Pricing Objectives

Before determining the selling price of a product, the management should determine the pricing objectives. The pricing objectives of a company must logically relate to the over all objectives of the company. The major pricing objectives are discussed below.

1. Return on Investment : Most well-established companies are following the pricing objective of target return. Here, the objective is to earn a certain rate of return on investment. The price is fixed in such a way that the company should earn a desired rate of return on its investment. This objective is also called pricing for profit.
2. Market Share: Market share (sales potential) means the percentage market for the product of a firm in the concerned product's market. A good market share is a better indication of progress.

Factors determining price

1. Internal Factors: Internal factors of pricing are sometimes called built in factors. These are generally within the control of the organization. These factors include organizational factors, marketing mix, cost, pricing objectives and product differentiation.
   a. Organisational factors: Overall pricing strategy is dealt with by top executives and the actual mechanics of pricing are dealt with at lower levels in the organization. Top levels consider market segments but lower levels consider individual product strategies.
   b. Marketing Mix: Marketing mix like product, physical distribution, promotion etc. influence the pricing decisions. A shift in any one of the elements in the marketing mix has an immediate impact on pricing.
   c. Product differentiation: The product features also influence price. In order to attract customers different characteristics like quality, size, colour, attractive package, alternative uses etc. are added to the product. Generally customers pay more for a product with new style or fashion.
   d. Cost: Cost and price of a product are closely related. The most decisive factor of pricing is cost of production. Traditionally, selling price is fixed by adding certain amount or percentage of profit along with cost of production.
   e. Pricing Objectives: A firm may have various objectives and pricing contributes its share in achieving such goals. The goals may be of profit maximization, maintaining market share, facing competition, survival, price leadership etc. Pricing policies are drafted after considering pricing objectives of the firm.
2. External Factors : External factors are beyond the perfect control of an organization. External factors or uncontrollable include buyers, demand, competition, suppliers, economic conditions and government.
   1. Buyers: In consumer oriented marketing the demand for a product influences its price. Every product has some utility to the buyer. It gives the buyer some service, satisfaction, pleasure, the total of which is its value to a particular consumer. If the consumer doesn't consider the worth of the product not equal to its price, he will refuse to buy. With the multiplicity of choices available to the consumer the prime consideration in pricing is the consumer or buyer.

2. Demand: The market demand for a product has a big impact on pricing. The relationship between price and demand is inverse. When price is high, the demand is decreased and vice versa. So a high price is fixed when demand is high and a low price is fixed when demand is low.
3. Competition: No marketer is free to fix a price of his own without considering competition unless he has a monopoly. A firm can fix the price equal to or lower than that of competitors provided the quality of product, in no case, is lower than that of the competitors.
4. Suppliers: Suppliers of raw materials and other goods can have an important influence on the price of a product. If the price of cotton goes up, the increase in price is passed on by suppliers to manufacturer and manufacturers, in turn, pass it on to consumers.
5. Economic Conditions: The stage of the trade cycle is a major factor in determining product price. During depression, the prices are reduced to maintain the level of turnover. But during boom, the prices are increased to cover the increasing cost of production and distribution. The changes in demand and supply aspects will also affect pricing decisions.
6. Government: Government interference like control of prices, levy of progressive taxation import export policy etc. should also be considered while formulating pricing policies.

Process of Pricing

- Decision for pricing are taken in the light of marketing opportunities competition and many other variables influencing pricing. Price decisions must consider all factors affecting both demand and supply. The following are the steps involved in the process of pricing.

1. Estimate the Demand for the product.
2. Anticipate the competitive reaction.
3. Establish Expected Share of Market.
4. Selection of the pricing strategy.
5. Consideration of Company Policies.
6. Selection of a suitable pricing method.

New Product Pricing

- Pricing of new product is an art. New product pricing is important as it affects the quantity of the product to be sold and determines the amount of revenue of a firm.
- Following guidelines are to be adopted while pricing a new product.
  a. Making the product accepted
  b. Maintaining the market and
  c. Retaining the profits.

New Product Pricing Strategies.

There are two strategies for pricing new products. They are:

a. Skimming Pricing (Skim the Cream Pricing): When a new product is introduced for the first time, a very high price is fixed and gradually when competitors enter the market price began to decrease. It is observed that launching a new product with high price is an efficient device for breaking up the market into segments that differ in price elasticity of demand. This method is an experimental approach for setting the right price. This method starts with a high price and moves the price downward by steps until the right price is reached. Skimming pricing is recommended because.
   a. Initial sales would be less.
   b. Helps to skim the cream of the market
   c. Own a new product even at high price.
   d. Helps to develop demand.
   e. High sales volume due to high price.

b. Penetration Pricing: This method is opposite to skimming pricing. New products may be offered at a low price at the initial stages of initial stages of introduction and gradually when substitutes are available in the market price may be raised.

This method is called penetration pricing. This method is most common and is desirable under the following situation.
   a. When sales volume is very sensitive to price.
   b. When large volume of sales is to be affected.
   c. When the product faces the threat of competition
   d. When stability of price is required.

Special Problems in Pricing (Discounts and Allowances)

- Discounts : Discounts are deductions allowed by the seller from the base price of a product. The various types of discounts are the following.

Promotion

- Promotion is the fourth and final element in the marketing mix. The others being product mix, price mix and place mix. Promotion includes all marketing activities designed to stimulate demand.
- "Promotion is the co-ordination of all seller initiated efforts to set up channels of information and persuasion to facilitate the sale of goods service or the acceptance of an idea". It involves to the activities to push forward or to advance an idea, in such a way as to gain its approval and acceptance.

Communication of Promotion Mix

- Promotion mix refers to the type, combination and proportion of various promotional elements used to promote sales. The promotion mix or promotional blend or marketing communications mix consists of four major tools- Advertising, Sales promotion, Publicity and Personal Selling.
- Promotional activity ultimately comes under the direction of the marketing manager. The marketing manager has the responsibility of co-ordinating and inter relating all the methods to achieve the marketing objectives.

  There are two types of promotional blends - push blend and pull blend.

Push Blend

- A Push Promotional blend emphasises on personal selling. The producer pushes the product to the intermediaries, who organize promotional activities to reach the consumers and sell the product.
- Naturally firms adopting this strategy develop a strong sales force both at the distributors and the dealers level. This method would tend to push the product through the channel of distribution. The producer aggressively push the products to wholesalers, wholesalers aggressively promote the product to retailers and the retailers aggressively push the product to the consumers.

Pull Blend

- A pull promotional blend is one in which mass impersonal sales efforts are given the greatest emphasis. The purpose of the pull blend is to pre-sell the goods to the final consumers sot that they may demand for the product at the retail level of distribution. If the strategy is effective the consumers will demand the product to the retailers, the retailers inturn will demand to their wholesalers and the wholesalers will demand the producer for the product.

Factors influencing promotion mix

The following are the factors influencing promotion mix.

1. Nature of the product. Promotion mix will vary according to the nature of the product. Consumer goods require mass advertisement. But industrial goods require personal selling, advertising, displays etc. Complex and technical products like computer need personal selling. Non-technical products require advertising as promotional device. In case where there is no brand diffentiation personal selling should be the method of promotion. Where there is brand differentiation advertising should be emphasized.
2. Nature of the market: For industrial market, advertising plays an informative role, but for consumer market it plays as informative as well as persuasive role. The promotion strategy varies with the target groups depending on age, sex, education, income, religion etc.
3. Stages in the product life cycle: The marketing objectives and strategies are different at each stage of the product in its life cycle. During the introductory stage intensive advertising and personal selling are required for effecting product awareness. During growth stage advertising should be extended to maximize the market share. During maturity stage persuasive advertising and sales promotion techniques are beneficial. But at the declining stage advertisement and sales promotion are reduced to the minimum.
4. Market Penetration: A product having good market penetration is well-known to the buyers. In that situation, middlemen are motivated to spend more an advertising.
5. Market Size: It there is limited number of buyers, direct selling is enough. But if the market size is large the promotional tool is mainly advertising.
6. Characteristics of buyers: Experienced buyers of industrial product need personal selling. The experience of buyers, the time available for purchase, influence of friends, retailers etc. are the factors affecting promotion mix.
7. Distribution strategy: If the products are directly sold by the manufacturer personal selling is the tool of promotion. Advertising is only a supporting tool. Personal selling and advertising is required for market penetration. If the product passes through a longer channel more importance should be given to advertising and less importance to personal selling.
8. Pricing strategy: Pricing influences promotion strategy. If the brand is priced higher than the competitors price,

personal selling is used. If the price is comparatively low only little promotion is needed. If the middlemen are allowed higher profit margin, sales promotion at dealer level is important.

9. Cost of promotion. The cost of the media of advertising and sales promotion tools should also be considered while deciding the promotional mix.
10. Availability of funds: If the funds are adequate the firm can spend more for advertising and sales promotion. But small firms with limited resources can depend on personal selling.

a. Trade Discounts: These discounts are allowed in the form of deductions from the list price. Trade discount is given by manufacturer to wholesalers and retailers as a consideration for the remaining marketing function to be performed by them. It is also known as frictional discounts.
b. Quantity Discounts: These are deductions allowed from the list price by the seller in order to encourage a customer to buy larger amounts. Quantity discount may attract both small and large buyers for ordering large quantities.
c. Cash Discount: It is the concession or deduction given to the consumer by the seller for remitting the bill within the specified period of time. It is a deduction from the invoice bill at the time of making the payment.
d. Seasonal Discount: This refers to the discount offered during a particular season. It is usually done during 'off-season' or 'off peak'

Advertising

- Advertising is a part of marketing. The purpose of advertising is to stimulate sales, inform market, impress the trade mark and create interest for future sales. It is a form of mass communication. It is through the media of advertising the consumers are made aware about the peculiarities of different types of products. Advertising is sometimes called 'Consumer Education' because it makes aware the consumers about the uses, methods of uses, ingredients etc.
- Advertising means mass paid communication, the ultimate purpose of which is to impart information, develop attitudes and induce action beneficial to the advertiser.

Features of Advertising

a. Advertisment is a message to large groups.
b. It is in the form of non personal communication
c. It persuades the general public to purchase the goods or services advertised.
d. It is paid for by a seller.
e. Advertising messages are identified with the advertiser.

- Advertising is an activity by which oral or visual messages are addressed to the general public. Its purpose is to inform or influence them inorder to increase the sales of the advertiser.
- Advertising creates desire for new products.
- An effective advertising necessitates mass production and thereby cost and price can be reduced.
- The advertising message is called Advertisement. Advertising is a process. But advertisement is the content of advertising.
- Sales promotion is marketing efforts other than advertising publicity and personal selling.

Objectives and importance of advertising

- The purpose of advertising is to sell something - a product, a service or an idea. The real objective of advertising is effective communication between producers and consumers.

1. To make an immediate sale
2. To build primary demand
3. To introduce a price deal
4. To inform about the availability of products
5. To create brand recognition
6. To help salesmen by creating an awareness of the product among retailers.
7. To create a reputation for service reliability or research strength.
8. To increase the share of the market
9. To modify existing product appeals and buying motives.
10. To inform about the availability of new products
11. To remind the users about the product.
12. To increase frequency of use of a product
13. To increase the number of quality of retail outlets
14. To build overall company image
15. To reach new users or markets for the product
16. To develop overseas market
17. To educate the public

Functions of Advertising

1. Increasing the number of customers: It stimulates demand and widens the market. The benefits and features of the products are made known to the public. This will increase the number of buyers for the product.
2. Increasing the number of customers by brand loyalty: Development of brand loyalty among the customers is significant.
3. Offsetting the competing brands: The consumers are tempted to buy several rival products through the promotional measures offered by the competitors. Advertising facilitates the creation, direction and extension of demand for the particular products or services.
4. Increasing usage of the products: When a product is introduced in the market, it is meant for a specific use. Advertising explains the new uses of the product found out through researches. Thus consumers are made known

about the new uses of a product.

5. Reminding the consumers
6. Educating the Public
7. Shaping of goodwill

Sales Promotion

- The committee of American Marketing Association defines sales promotion as "those marketing activities other than personal selling, advertising and publicity that stimulate customer purchasing and dealer effectiveness such as display shows, exhibitions, demonstrations and various non -recurrent selling efforts not in the ordinary routine"

Importance of Sales Promotion

- The main purpose of sales promotion is to accelerate sales through special selling efforts. Sellers use incentive type promotions to attract new customers, to reward loyal customers and to increase repurchase rates of occasional users. At the salesmen level, the objective of sales promotion is to achieve more sales. At the retailer's level, the purpose is to sell a particular product of a manufacturer. At the consumers level, the main aim is to enable them to buy more of a product more frequently and to introduce new uses for the product. A good sales promotional programme will remove the consumers dissatisfaction with respect to retail selling.

Objectives of Sales Promotion

1. To increase the buying response at the customers level.
2. To attract new customers
3. To ensure dealer effectiveness
4. To make aware the public about the new product and its advantages
5. To capture the major share of the market
6. To meet the competition of other firms
7. To effect off season sales to boost sales
8. To create brand image
9. To create additional talking points about the products to sales persons.
10. To remove customer's dissatisfactions.
11. To bridge the gap between advertising and personal selling.
12. To maintain communications with large market segments
13. To create a favourable attitude towards the product
14. To stock more at the level of traders.

Salesmanship

- Salesmanship is an attempt to induce people to buy goods and services by removing their doubts and suspicions, at a profit.

Importance of Salesmanship

- In olden days, a salesman shows the goods, takes an order and receives the payment. He never attempts to guide or persuade the consumers. But modern salesmanship is creative in approach. He creates needs and converts them into wants. Customer satisfaction is the main aim of the salesmen. Salesmen is the connecting link between the sellers and buyers at every step.
- Salesmanship is important to producers and manufactures for pushing products into competitive markets and to capture new markets. Salesmen bring larger profits to the producers by increasing the volume of sales.

- Salesmenship is important to consumers. A salesmen educates and guides consumers. He gives them more satisfaction. He helps the consumers in making the right decision and proper selection of the product which they want to buy.

Duties of Salesmen

1. To make sale of products or service
2. To make reports about sales made, calls made, customers lost, services rendered etc.
3. To satisfy the complainants peacefully.
4. To attend sales meetings.
5. To create goodwill of the company and its products
6. To maintain good relation with customers
7. To take periodic inventories
8. To assist customers in selecting goods.
9. To make collection of bills relating to sales.
10. To do the assigned duty.

Qualities of a successful salesman

- A good salesman should have some personal qualities, mental qualities, social qualities and moral qualities.

1. Physical qualities: These include good appearance, sold health and physique, a good posture (good style of holding body) and pleasing and attractive voice.
2. Mental qualities: A good sales man must have the mentality to face any situation and to take quick action, creative mind and imagination self confidence and optimism.
3. Social qualities: These include good manners, politeness, co-operation friendliness, helpfulness, tactfulness and courtesy. Friendly and co-operative attitude is essential for the success of a salesman.
4. Character and Moral qualities : In addition to the above, a good salesman must have knowledge about the product, company, customers and competitors, market, techniques and self.

Sales Forecasting

- Sales forecasting is the prediction of the future volume of sales. Sales forecast means “an estimate of sales in physical units or value for a specified future period under a proposed marketing plan or programme and under an assumed set of economic and other forces.” Sales forecasting is a major tool in the hands of management for the purpose of planning and budgeting.

Objectives of Sales Forecasting

1. Short-term objectives
   a. To determine suitable production policy
   b. To facilitate regular supply of raw materials at right time and in right quantity.
   c. To make the best utilisation of the available machines
   d. To determine appropriate price policy
   e. To arrange for trained and technical workers
   f. To make arrangements for short-term financial requirements
   g. To help in setting the sales targets for different market segments as to control the performance of salesmen.
2. Long-term objectives
   a. To estimate cash inflows
   b. To plan long-term production
   c. To plan plant capacity
   d. To plan manpower requirements for long term
   e. To forecast long term financial requirements
   f. To determine suitable dividend policy
   g. To help in the process of budgetary control

Importance of Sales Forecasting

- Sales forecasting is the primary responsibility of the top sales executive. However, the active participation of all the personnel in the organisation is required for the effective forecasting of sales.

1. Balances Supply and Demand: It enables the company to meet the growing needs by balancing demand and supply.
2. Tool for measuring efficiency of sales department: It is a useful tool for measuring the efficiency of sales department and for measuring the marketing productivity.
3. Aid to proper pricing: Reliable sales forecasting is a first class aid to proper pricing.
4. Allocation of Sales territory: It helps in the allocation and reallocation of sales territory and setting up of quotas.
5. Inventory Control: It avoids both overstocking and understocking and there by enhances good inventory control.
6. Tool of financial analysis: It facilitates planning for cash requirements and guide for financial analysis.
7. Guides in plant layout: It acts as a friend, philosopher and guide in plant layout, warehousing and transportation.
8. Avoids temporary pressures: Sales forecasting helps the company to avoid sudden and temporary pressures in demand.
9. Indicator of efficiency: It is a useful tool in measuring the efficiency of sales department as it compares its sales forecast with sales performance.
10. Allocation of advertisement expenditure: Sales forecast is also used as a criterion in allocating advertising expenditure.

Steps in the process of Sales Forecasting

1. Determining the objectives of sales forecasting.
2. Dividing the company’s products into homogeneous groups.
3. Determining the relative importance of factors which affect the sale of each such group.
4. Selecting a suitable method of sales forecasting.
5. Collecting and analysing relevant data for forecasting.
6. Studying the correlation between sales and sales promotion policies.
7. Analysing the competitors policies and programmes.
8. Prepararing sales forecasts for the individual groups and also for the whole enterprise.
9. Periodical review and revision of the forecasts.

Factors affecting Sales Forecasting

Sales forecasting is affected by the following factors:

1. General business conditions: These include population, distribution of wealth, government policies, economic conditions etc.
2. Conditions within two industry: These include nature and characteristics of product, product line, pricing policy, competitors policies and strategies etc.
3. Credit conditions: Sales forecasting is also influenced by the credit policy of a firm. If the company is following a liberal credit policy the forecasted sales will be higher.
4. Conditions within the company: The plant capacity, quality of products, price, advertisement policy, availability of resources etc. are the internal factors influencing sales forecasts.
5. Policies of the competitors: Sales forecasting methods and strategies of competitors influence the forecasting of a company.

Sales Management

Sales management is a part of marketing management. It covers the management of selling, advertising, sales promotion, transporting, warehousing, financing, and risk bearing.

Objectives of sales management

1. To enable the top executives to devote more time to planning policy matters.
2. To divide and fix authority among the subordinates.
3. To avoid repetitive duties
4. To locate responsibility
5. To establish sales routine
6. To stimulate the selling efforts
7. To make effective management of sales force

Sales planning

Planning is the initial task of every management. Sales planning is concerned with the outlining of future course of action. Sales planning is concerned with the establishment of selling objectives, policies, programmes, procedures, principles, rules, strategies and budgets.

Sales Policy

A policy is a line or course of action followed over a considerable period of years. It is the reservoir of plans. Sales policy regulates and guides sales processes and programmes. A sound sales policy should cover all aspects of marketing.

Sales Manager

Sales manager or sales executive or sales director or marketing manager is the head of sales organisation. He is the key personnel in the organisation . He is able to assess the results of various areas and product groups as compared with the targets set. Sales Manager is responsible for sales promotion.

Duties and Responsibilities of a Sales Manager

1. Sales Planning: He has to formulate adequate plans. ie., sales plans, sales policies, sales programmes and sales budgets every year. He must also plan for advertising.
2. Merchandising: Merchandising is one of the activities in market planning concerned particularly with providing right goods at the right time at the right place and at the right price. He is also responsible for grading and standardisation and branding.
3. Execution of Sales plans and programmes: The Sales Manager must ensure the execution of the plans and programmes.
4. Marketing Research: He has to organise and manage marketing research projects. The research staff should submit market information and statistical data. On the basis of these information sales manager has to take sound decisions.
5. Control: The Sales Manager has to control and regulate the selling activities in such way so as to attain the sales objectives. The sales objectives are set in terms of sales quotas for each branch. Actual results are compared with the targets and variance if any, is analysed. On the basis of variance analysis corrective action is taken.
6. Physical Distribution: Another responsibility of a sales manager is related to physical distribution, covering order processing, packaging, transportation, warehousing etc.
7. Sales promotion and advertising: It is an important duty of sales manager to create demand for products. He can seek the help of advertising and sales promotion staff for the same.

8. Preparing Sales budget: The sales manager has to prepare the sales budget. The first budget to be prepared is the sales budget. Sales budget is based on sales forecasting, which is the major responsibility of the sales manager.
9. Management of Sales force: Sales manager is the chief of the sales organisation. He is responsible for the recruitment, selection, training, supervision, motivation and control of the sales force. He must guide, control and encourage the staff. For this he must possess skill, ability and foresight.
10. Advising top management: The sales manager is responsible to advice the top management about the operation of sales department. He can close the non-profitable branch offices and open new branches after a detailed study.
11. Sales Office: As the chief executive of the sales office the sales manager has to assign duties to sales personnel, hold meetings, conferences, contests etc. He has to develop the structure of the sales organisation, fix authority, responsibility, relationship and keep all authorities within his span of control.

Distribution Management

Types of Channels

Marketing channel is the pathway composed of intermediaries or middlemen who perform the functions needed to ensure smooth flow of goods and services from the manufacturer to the consumers. The following are the important types of channels.

1. Distribution channel for consumer goods: Five channels are widely used in the marketing of consumer products: They are -
   - i. Producer — > Consumer : It is the shortest and simplest channel of distribution. The producer may sell directly by mail or from house to house.
   - ii. Producer —> Retailer —> Consumer: Many larger retailers buy directly from manufacturers and sell them to consumers.
   - iii. Producer —> Wholesaler —> Retailer —> Consumer: It is a traditional channel for consumer goods. Small retailers and small manufacturers find this channel as the feasible one.
   - iv. Producer —> Agent —> Retailer —> Consumer: Instead of using wholesalers, many producers prefer to use agents to reach the retail market.
   - v. Producer —> Agent—> Wholesaler—> Retailer —> Consumer: To reach small retailers, large scale producers use wholesalers through agents.
2. Distribution of Industrial goods
   - i. Producer —> Industrial user: This direct channel accounts for a large volume of sales of industrial products than any other distribution channel. Manufacturers of large machineries or equipments usually follow direct selling.
   - ii. Producer —> Industrial Distributor —> User: Producers of operating supplies frequently use industrial distributors to reach their markets or users.
   - iii. Producer —> Agent —> User: Firms without their own marketing departments find this channel advisable. For introducing a new product or to enter a new market this channel is preferred.
   - iv. Producer—> Agent —> Industrial Distributor —> User: This channel is used when it is not feasible to sell through agents directly to the user. The unit sale may be too small for direct selling.

Vertical Marketing System (VMS)

It refers to a distribution arrangement whereby a given channel of distribution is treated as a coordinated, integrated unit.

Horizontal Marketing System (HMS)

It refers to a channel arrangement in which two or more companies at one level join together to follow a new marketing opportunity. By working together, companies can combine their capital, production capabilities and marketing resources to accomplish the function more effectively. On working along with others, the company might join hands with competitors or non competitors.

Sole Selling Agency

An established firm of good reputation operating in each area may be appointed as a sole agent or distributor exclusively for that locality. The sole agent is generally appointed when the manufacturer doesn't have his own organisation or machinery to market the goods or when the demand for the goods is highly competitive or fluctuating. These sole agents generally have their own marketing organisation. They appoint wholesalers and retailers. Sometimes they sell the product under their own private brands.

Marketing Intermediaries

- Marketing intermediaries are the persons or organisations that assist in the flow of goods and service from producer to the consumers. The following are the common types of marketing intermediaries.
  1. Middlemen, 2. Agents or brokers, 3. Wholesalers, 4. Retailers, 5. Distributors, 6. Dealers.

1. **Departmental stores**
   A departmental store is a highly developed form of retail trade. A wide variety of goods are sold in departmental store under one roof and one management. For each line of goods like stationery, books, furniture, clothing etc. there are separate departments. It is a combination of many small retail shops that form part of a single unit. It is said that a departmental store sells 'Pin to Piano' These are organised on joint stock company basis. Departmental stores

provide services and amenities like free home delivery of goods, rest rooms, restaurants, telephone services etc.

2. **Multiple shops/Chain stores**

   Multiple shops are designed as an outlet for mass distribution. Multiple shops are also called chain stores. It is a system of branch shops dealing in similar line of goods. These shops are operated under centralised management. The branch shops are spread throughout the country under the same name. The head office supplies the requirements of branches. The branch shops sell the goods at the price fixed by the head office. There is uniformity in advertisement, window display and other operations of the branches. Maveli stores, Bata shoe etc. operate under chain store system.

3. **Consumer's co-operative stores**

   A consumer co-operative store is a voluntary association of consumers. These stores provide essential goods. They protect the interest of its members by providing essential consumer goods at lower prices. Consumer's co-operative store can be formed if at least 25 persons of a particular organisation come together. It has to be registered under the Co-operative Societies Act. They are organised on co-operative principles without any profit motive. Profits earned is distributed to the members as dividend. The management of the store is entrusted to a managing committee elected by the members. The capital is contributed by members by purchasing shares which are of small value. They buy quality goods directly from manufacturers and sell them to members and non-members at reasonable prices. Consumers co-operative societies eliminate middlemen and establishes direct relations with the manufacturers.

4. **Super Bazar (Super Market)**

   A super bazar or super market is a large scale retail organization on the pattern of a departmental store selling wide variety of consumer goods, under one roof. While a departmental store deals in all types of goods, a super bazar basically deals in food stuffs, groceries, vegetables, meat, dairy products and other items of daily use. They are generally organised by consumer co-operative stores as co-operative stores are run on a small scale.

5. **Franchise**

   Franchise is an agreement between the parent company (franchiser) and owner of an individual business (Franchisee). The franchiser provides the right to use its trade mark to the franchisee, for a payment. By using the franchiser's trade mark, the franchisee owns and operate the business. As per the agreement the franchisee must use the same brand or trade name for the product and use the same window display, shop decoration etc. All promotional activities are done by the manufacturers. The franchiser may be a manufacturer, a wholesaler or a service organization.

Super - super Market (Hyper - Market)

Hyper market is the best example for diversification in retail trade. It combines the principles of super market, department store, speciality shop and service shop in one giant size store. It has a very broad and deep assortment of goods. ie., one stock shopping - to buy everything form A to X. In addition to numerous food products, a hyper market tries to fulfil many other consumer needs like housewares, hardware items, garden products, electronic goods etc. Hyper markets even provide household services like laundry, shoe repair, beauty parlours etc. Middle and upper classes constitute its target market.

Direct marketing

It is the method of selling goods directly to the customers using advertisement. Here products are advertised through one or more medias and orders are received by telephone, internet or mail.

Direct marketing include direct mail, catalogue mailing, tele-marketing, internet marketing etc.

Internet Marketing

It is the marketing of goods through computerised net works. The details of the products are given on the website and consumer can electronically view the products and know their price. The consumer can make his shopping list and place the order by E-mail, telephone or fax. The goods are delivered by the retailers within a stipulated time and payment is made through credit card. Exporters and importers can do this business very easily. Commonly books, magazines, journals etc. are marketed under this system.

Marketing Information System

Marketing Information system include all facts, estimates, opinions and other information used in marketing of goods. Marketing Information system means a set of procedures and methods for the regular and planned presentation of information for the use of marketing decision.

Features of Marketing Information System

1. Marketing Information System is a consciously developed master plan for promotion flow. It is an on-going process.
2. It integrates the functional departments and specialists such as analysts, programmers and computer experts.

3. Marketing information system is future oriented. It anticipates and solves marketing problems.
4. The data collected are processed with the help of operations research and management science.
5. Management gets a steady flow of information on a regular basis.
6. Computer is the modern equipment for marketing information system.

Marketing of Products and Services

Product

A product is a bundle of benefits that satisfies the needs of the organisation or the consumers and for which they are willing to exchange money or other value. The bundle of benefits include colour, size, taste, product guarantee, service warranty, package design and size. A product may be defined as anything that can be offered to a market for attention, acquisition, use or consumption. Product may be two types viz. consumer products and industrial products.

Services

Services industries are quite varied. The government sector offers services through its courts, employment services, hospitals, banks, military services, police and fire departments, postal services and schools. The private non-profit sector also offers services through hospitals, schools and other charitable institutions. Service is an intangible consideration or benefit that is providing satisfaction to human wants and that not necessarily tied to the sale of a product or another service.

Practice Problems

1. Which concept of marketing is product oriented?
   1. old concept of marketing
   2. modern concept of marketing
   3. entity concept of business
   4. all of these
2. Which concept of marketing is based on 'customer satisfaction' keypoint?
   1. modern concept of marketing
   2. old concept of marketing
   3. entity concept of business
   4. all of these
3. Marketing refers to the ——
   1. sale of product
   2. goods and services are exchanged to each other
   3. goods distribution
   4. all of these
4. Marking mix consists ——
   1. production recognition
   2. Price structure
   3. Distribution planning
   4. All of these
5. Which of the following is not factors of the demand variable, according to Fillip Kotler?
   1. customer variable
   2. competition variable
   3. environment variable 4. all of these
6. The physical distribution involves which activities?
   1. Sales force costing 2. Retail warehousing
   3. Customer service 4. All of these
7. Marketing mix involves ———
   1. product mix 2. promotional mix
   3. service mix 4. all of these
8. Sub-dividation marketing is called as ———
   1. market segmentation 2. only segmentation
   2. decision of market 3. allocation of marketing
9. Which of the following is the function of marketing as a managerial?
   1. understanding consumer needs
   2. environmental scanning and market opportunity analysis
   3. development of a competitive marketing plan and strategy such that an organisation is able to satisfy not only the consumers needs but also achieve its own objectives
   4. all of these
10. The concept of marketing mix involves a deliberate and careful choice of organisation, product, price promotion and place strategies and —
    1. policies 2. concept
    3. planning 4. all of these
11. Which one of the following is not element of marketing mix?
    1. promotion 2. place
    3. product 4. none of these
12. The role of marketing in modern organisation is .... with marketing offers to lend a competitive edge and marketing tasks to match the demand and supply.
    1. integrative 2. non-integrative
    3. responding 4. all of these
13. Socio – Economic Forces consists - —
    1. customer 2. competition

3. substitutes 4. all of these

14. Which of the following activities involves under physical distribution?
    1. Outward transportation 2. Packaging 3. Distribution plannin 4. All of these
15. Which of the following statement is true?
    1. Environmental analysis and diagnosis involve understanding the five forces, namely socio-economic, competition, technology, government policies and supplies
    2. Understanding the socio-economic, forces is important as they determine the demand for a product or service at any given time. This involves an analysis of structural changes in the population and economic change in the society.
    3. Technology factor involves understanding technological change affecting the firm's products, process and systems and its capacity to respond faster to the customer. The technological development in the industry creats an opportunity for a marker to develop new products the consumer also tends to benefit from these developments.
    4. all of these
16. Service value is the assistance customer seek in purchasing a product?
    1. Service 2. Value
    3. Facilities 4. All
17. Buying situations may be caused by ——
    1. awareness about competing brands in a product group.
    2. customer has a decision criteria
    3. customer is able to evaluate and decide on his choice
    4. all of these
18. Sources of verbal information include ———
    1. Radio and Television Reports
    2. Customers and Consultants
    3. Financial Institutions
    4. All of these
19. Which of the following steps are not involved in the environmental scanning (Scenario Building) technique?
    1. analysis of the decision
    2. identification of key decision factors 3. analysis of each of the key variable separately
20. Which of the following is not motivation models?
    1. Economic model 2. Learning model
    3. Psycho-analytic model 4. Organisational model
    5. all of these
21. Which of the following is Marketing oriental?
    1. Broad product line
    2. Consumer consideration dominate
    3. Decentralised
    4. All the above
22. Marketing orientation is combination of ———
    1. flexibility in production
    2. style and appearance prime consideration
    3. controller 4. all the above
23. Production oriented involves ———
    1. production less flexible
    2. performance & applications prime consideration
    3. technical research
    4. all the above
24. "All communication are action oriented" This statement is true ——
    1. Yes 2. No
    3. Can't say 4. Perhaps
25. Personal channel consists ——
    1. expert 2. advocate
    3. social 4. all of these
26. The effectiveness of marketing communication has to be measured on

1. Cognitive levels 2. Connative levels
3. Behavioural levels 4. All the above

27. "Motivation research is the currently popular term used to describe the application of psychiatric psychological techniques to abtain a better understanding of why peoplerespond as they do to products, advertisements and various other marketing situations". Who gave this statement?
    1. Lawrence C. Lockley 2. William J. Stanton
    3. Manson and Rath 4. All of these
28. Which of the following is elements of marketing planning?
    1. Marketing Planning is managerial function
    2. It envisages determination of the future course of marketing action
    3. it involves an analysis of part events and pronection of future events
    4. all the above
29. Sales forecasting is a method of estimating —— volume that a company can expect to attain within plan period.
    1. sales 2. purchases
    3. product 4. product or service
30. A good control system should active correct action no sooner —— occur.
    1. deviations 2. flexible
    3. controllable 4. none of these
31. Marketing orientation consists ——
    1. External influences dominate objectives
    2. Market Research
    3. Emphasis on market price rather than cost
    4. All of these
32. Which of the following is production oriented?
    1. company consideration dominate
    2. narrow product line
    3. centralised 4. all of these
33. Which techniques may be used for studying buyer behaviour ?
    1. Projective techniques
    2. Interview techniques
    3. Questionnaire technique
    4. Experience & knowledge technique
    5. All of these
34. "Marketing concept is the recognition on the part of management that all business decisions of the firm must be made in the light of customer needs and wants, hence, that all marketing activities must be under one supervision and that all activities of a firm must be co-ordinated at the top, in the light of market requirements" Who refers it?
    1. Lazo and Carbon 2. C.P. Mc Namara
    3. R.L. King 4. All the above
35. Projective techniques consists ——
    1. Thematic apperception test
    2. Sentence completion test
    3. Cartoon test
    4. Word association test
    5. All of these
36. Which of the following statement is true?
    1. Product mix also referred to as product portfolio, product mix, is the composite of products offered for sale by a firm or a business unit.
    2. Product line is a group of closely related to products which are able to satisfy a class of need, to be used together, to be sold to the same customer groups to be moved through the same distribution channels, or fall within given price ranges.
    3. Product item is a specific version of a product that has a separate name or designation in the seller's list.
    4. All the above
37. Which of the following condition is true about determinants and strengths of positioning strategy?
    1. There should be competition warranting positioning
    2. The market segment to be served should be sizeable and profitable
    3. The market segment should be able to effectively receive communication messages transmitted by the company

4. All the above.

38. Product plays a —— role in the activities of a business.

1. a central 3. a secondary
2. a colletrial 4. none of these

39. Product market integration may be defined as a state wherein both product image and consumer self image are in focus, there is a match between product attributes and consumer expectations both economic and ——

1. non-economic 2. political
3. social 4. none of these

40. Corporates strengths includes ——

1. an aggressive and experienced top management team
2. extensive modern manufacturing facilities
3. a centrally located expendable plant
4. all of these

41. Criteria for simplification, consists ——

1. declining absolute sales volume
2. decreasing market share
3. sales volume decreasing as a percentage of the firm's is total sales
4. all of these

42. Elements of marketing planning is ————

1. Marketing planning is a managerial function
2. In envisages determination of the future course of marketing action
3. It involves an analysis of past events and projection of future events
4. All of these

43. Sales promotion includes ——

1. advertising
2. sales promotion & personnel selling
3. publicity
4. all of these

44. Marketing objectives covers ——

1. to develop and maintain product leadership
2. to win the loyalty and co-operation of dealers
3. to market at profit product of maximum value to consumer both current and potential.
4. all of these

45. The communication model provides a very useful framework for understanding ———

1. Promotion 2. Publicity
3. Planning 4. None of these

46. Which of the following statement is true?

1. Promotion objectives should be set before message content, layout and delivery decision are made.
2. Advertising is particularly difficult to evaluate because it include, so many different types of delivery vehicles.
3. The promotion program is designed to support the marketing plan in the desired way, and the cost of the promotion program is set by the budget required to implement the marketing plan.
4. All of these

47. Promotion media are the various vehicles that corporation can use to carry their promotional message to

1. Audiences 2. Managers
3. Owners 5. None of these

48. Promotion program involves ———

1. Promotion objectives 3. Message design 3. Promotion Budge 4. All of these

49. Which of the following is Pricing objectives?

1. competition 2. market share
3. market penetration 4. all of these
4. All the above

50. Pricing objectives consists ——

1. skim the cream 2. targeted rate of return
3. price stabilisation 4. all of these

51. Pricing objectives is combination of ———

1. profit maximisation 2. cash recovery
3. product line promotion 4. all of these

52. Which of the following cost may be used for pricing decision?

1. fixed cost 2. variable cost
3. average cost 4. all of these

53. Which one of the following is not method of selling prices ?
1. cost plus pricing method
2. marginal cost pricing method
3. break-even-pricing method
4. first in-first out cost method

54. "Price policies provide the guidelines within which pricing strategy is formulated and implemented" who said it?
1. Cundiff and Still 2. P. Kataler
3. Scoffe 4. All of these

55. Which one of the formula may be used for setting prices under cost plus pricing method?
1. Selling price = Unit total cost +desired unit profit
2. Selling price = Unit total cost + profit
3. Selling price = Unit total cost + selling expenses
4. None of these

56. Discount policies covers ———
1. Cash discount policy 2. trade discount policy
3. quantity discount policy
4. all of these

57. An appropriate pricing policy has a positive impact on profit making and
1. sales realisation 2. controlling
3. purchasing 4. none of these

58. Which of the following is included understore retailers?
1. departmental store 2. super markets
3. discount store 4. all of these

59. A departmental store offers a wide range of products in an organised fashion and is easily accessible to the ——
1. consumers 2. firm
4. governments 3. suppliers

60. Super markets are retail stores which handle relatively a large volume of goods and services at ——— cost, high margin principle of retailing.
1. high cost 2. low cost
3. no profit-no loss 4. none

61. The catlog stores is new generation super stores which deal with a variety of goods and services of ———
1. low range 2. wide range
3. firm 4. none of these

62. The exclusive stores involves ———
1. single line store 2. limited line stores
3. super speciality stores 4. all of these

63. Which of the following is included understore retailers?
1. superstore 2. hyper markets
3. convenience store 4. all of these

64. The advantage of a high profit under the value pricing approach is —— in the long run when there is a consumer segmentation for the product with a high recognition.
1. anticipated 2. inspired
3. motivated 4. oriented

65. Advertising is an instrument of ——— which is applied in practice both as a science and an art generated by creative devices.
1. marketing 2. firm
3. salesmen 4. all of these

66. The environmental factors of advertising are
1. social and cultural factors
2. legal factors
3. economic factors 4. all of these

67. Which of the following functions covers under advertising classification?
1. product advertising 2. primary advertising
3. selective advertising 4. all of these

68. Which cost are known as periodical cost?
1. fixed cost 2. total cost

3. variable cost 4. sunk cost 5. all

69. The process of advertising in business begines with market situation analysis conducted to assess the marketing –—– for the product in the existing state of business in the market
1. opportunities 2. assessibility
3. difficulty 4. functioning

70. Advertising process involves ———
1. target audience 2. media strategy
3. media use plan 4. research 5. all

71. Cost data are need to make decisions such as —
1. pricing 2. volume
3. make or by 4. replacement 5. all

72. Cost is ———
1. a foregoing or sacrifice
2. measured in monetary terms
3. incurred or potentially to be incurred
4. to achieve a specific purpose
5. all of these

73. Expired cost, the monetary value of the resources that have already been used in ——
1. producing cost 2. producing revenue
3. producing unit 4. goods 5. none

74. When costs are accumulated for an organizational unit or department, it is called ———
1. a cost centre 2. a cost benefit
3. cost of production 4. unit
5. none of these

75. —— costs are those cost items which cannot be traced or identified directly with a cost object.
1. direct costs 2. fixed costs
3. indirect costs 4. full costs
5. total costs

76. The sum of direct materials cost, direct labour cost and factory overhead is called ———
1. full cost 2. factory cost
3. total factory cost 4. all of these 5. none

77. ——— costs are those cost items which can be traced logically and conveniently, in their entirety, to a cost object.
1. direct costs 2. indirect costs
3. fixed costs 4. make cost 5. none

78. The sum of direct materials and direct labour costs is called
1. prime cost 2. factory cost
3. overhead cost 4. value of stock
5. full cost

79. When products have been manufactured and are on saleable condition, the selling function ——
1. starts 2. drop
3. reduced 4. increased
5. none

80. ——— costs are those costs which are incurred to perform the marketing functions.
1. distribution costs 2. full costs
3. sale of goods 4. total cost
5. transfer cost

81. Order-getting costs are incurred to affect ———
1. sales of product
2. cost of product
3. distribution cost
4. transfer cost

82. When total cost changes in direct proportion to changes in volume, it is called a ———
1. variable cost 2. fixed cost
3. full cost 4. total cost
5. sunk cost

83. When fixed cost remains non-variable to changes in volume, it is called a ———
1. variable cost 2. full cost
3. fixed cost 4. transfer cost

5. none of these

84. Distribution costs are also called ———

1. marketing costs   2. selling costs
3. full costs   4. (1) & (2) are both

85. Those cost items which attach or cling to units of finished goods are called ———

1. product costs   2. full costs
3. fixed costs   4. variable costs
5. none of these

86. Variable costs vary in a proportionate and paralleled manner with ——

1. volume   2. time
3. quality   4. factory   5. none

87. Fixed cost remain at the same level irrespective of change in ———

1. volume   2. cost
3. quality   4. fashion
5. centres

88. The contribution approach to pricing is based on the incremental ——

1. cost principle   2. cost systems
3. cost force   4. market force
5. trade customs

89. The net profit will be maximised when ———

1. contribution is minimised
2. contribution is maximised
3. fixed is increased
4. fixed cost remains same
5. none of these

90. Decision- making is a future oriented activity. It involves forecasting and planning. The function of decision-making is to choose alternatives for the ———

1. future   2. present   3. profit 4. loss   5. none of these

91. If fixed cost are expected to remain unaltered, that would be irrelevant in

1. the make or buy decision
2. production decision   3. product mix decision
4. sales planning   5. none of these

92. Fixed costs, in the short run, are ——, therefore, they are irrelevant in pricing special order.

1. uncontrollable   2. controllable
3. flexible   4. variable
5. all of these

93. Direct distribution system involves ———

1. own sales   2. own salesman
3. mail order   4. all of these

94. "Wholesalers sells to retailers or other merchants and or industrial, institutional and commercial users but they do not sell in significant amounts to ultimate consumers". This statement refer by–

1. American Marketing Association
2. William J. Stanton   4. Cundiff and Still
5. None of these

95. Product lines covers ——

1. general retailer   2. one price retailer
3. departmental stores   4. all of these

96. Retailing middlemen on the basis of ownership covers ——

1. independent stores   2. corporate chain stores
3. contract chains   4. all of these

97. Which one of the formula may be use for cost of service in case physical distribution?

1. Total freight cost of proposed system + Total fixed warehouse cost of proposal system + Total variable warehouse cost of proposed system + total cost of lost sales due to average delivery delay under proposed system.
2. total freight cost proposed system
3. Total fixed warehouse cost of proposed system

4. None of these

98. Which factors determines the building up of a sales organisation?
   1. Traditions and customs
   2. Organisational policy of the management
   3. size of the unit
   4. all of these

99. Which of the following decision areas includes in management of physical distribution?
   1. size of inventory   2. warehousing
   3. transportation   4. materials handling
   5. size of the order   6. all the above

100. Field organisation of sales department involves
   1. Head office type organisation
   2. Branch office type organisation
   3. Divisional and branch office type organisation
   4. Divisional and branch office and crew type organisation
   5. all of these

101. Form of sales organisation consists ——
   1. line type sales organisation
   2. line and staff type sales organisation
   3. functional type sales organisation
   4. committee type sales organisation
   5. all of these

102. Which of the following statements is true?
   1. A sales organisation, like any organisation is a group of individuals striving jointly to reach certain common goals, and bearing informal as well as certain formal relations to each other.
   2. Sales organisation is planning, direction and control of personal selling including recruiting, selecting, training, equipping, assigning, routine supervising paying and motivating as these tasks apply to the personal sales force.
   3. The line and staff type is one in which the sales manager is given a staff of specialists in such fields as planning, research, statistics, engineering, promotion and training to advice him in administering the sales of the company.
   4. All of these.

103. "Decentralisation refers to the systematic efforts to delegate to the lowest levels all authority except that which can be exercised at central points" Who said it?
   1. Lavis A. Allen   2. Stanton
   3. Still and Scwaff   4. None of these

104. Which of the following is a outside sources of salesman recruitment?
   1. Training and educational institutions
   2. Employment exchanges
   3. Attracting from other units
   4. Employees of customers
   5. Salesman making calls on the firm
   6. Former salesmen
   7. All of these

105. Management of sales force involves ——
   1. selection of salesman
   2. remuneration to salesman
   3. training of salesman
   4. supervision and control of the salesman
   5. all of these

106. Process selection of salesman consists ——
   1. Advertisement   2. Application form
   3. Selection test   4. Interview
   5. All these

107. Individual training involves ——
   1. Training on the job   2. Job rotation
   3. Correspondence training
   4. Individual training conferences

5. Training in universities and colleges
6. All of these

108. Which of the following method may be used for remuneration to salesmen?
1. Straight Salary Method
2. Commission Method
3. Fixed salary and commission method
4. Drawing account and commission method
5. Profit sharing method f. Quota plan
6. All the above

109. Which of the following statement is true?
1. Structure is the formal arrangements of people's roles and relationship so as to achieve corporate and marketing objectives.
2. Organisation structure is the collection of beliefs, expectations and values shared by employees.
3. Functional organisations are divided into specialised marketing functions such as advertising, selling and marketing research.
4. All of these

110. Group training consists ——
1. Lecturers 2. Sales demonstration
3. Sales promotization
4. Sales training conference
5. All of these

111. Organisations are comprised of structure -—
1. Processes 2. Culture
3. People 4. All of these

112. Organisation's culture includes ——
1. Whether major career risks are associated with risk laden decisions
2. The extent to which employees protect their turf and control information flow.
3. The freedom of individual employees to make significant decisions without multilevel approvals
4. All of these

113. Market oriented consists ——
1. Product application and economic benefits
2. Highlights the factor that influence customer's buying decisions
3. Promotes results of market research and research and development investment.
4. Diagnosis and interprets the strategy, assumption, cost structure and objectives of major components
5. All of these

114. Which of the following channels of distribution is correct?
1. Manufacturer —> Agents —> Wholesalers —> Retailers —> Ultimate consumer
2. Manufacturer —> Agents —> Retailers —> Ultimate consumer
3. Manufacturer —> Agents —> consumer
4. Manufacturer —> Wholesaler —> Retailers —> consumer
5. Manufacturer —> Retailers —> consumer
6. all the above

115. "An agent middlemen negotiated purchase or sales or both, but does not take title to the goods in which he deals" This statement is ——
1. Cundiff and Still 2. Stanton
3. Mc Carthy 4. None of these

116. "A departmental stores is a large retail establishment having in the same building a number of department each of which confines its activities to one particular Branch of trade and from a complete unit itself" who said it?
1. S.L. Thomas 2. Clark and Clark
3. Jemes Stephenson 4. None of these

117. Retailing includes all activities incident to selling to the ultimate ——
1. consumer 2. firm
3. agents 4. wholesaler

118. Product based organisations are divided into units that specialize in marketing certain products or types of ——
1. product 2. service
3. firm 4. channel

119. Marketing Environment systems covers ——
1. Marketing information system

2. Monitoring and control syste
3. Marketing planing system
4. All of these

120. Marketing characteristics are ———
1. Profit orientation
2. need based marketing strategy
3. product market segmentation
4. All of these

121. Marketing management is the process of product planning, pricing, promotion and —— along with the services to generate transaction that satisfies the organisational and user objectives.
1. distribution 2. reward
3. goals 4. none of these

122. Which one of the following is not theories of buying behaviour?
1. Inhierent v/s learned motives
2. Emotional v/s rational motives
3. Consumer variable v/s product variable
4. all of these

123. The Tertiary environment has a territorial phenomenon comprising of ——
1. demography 2. economic issues
3. technology 4. all of these

124. The marketing process involves ———
1. human needs 2. demand flow
3. product 4. exchange 5. utility 6. all these

125. Customer driven consists ———
1. vision 2. mission
3. appraisal 4. all of these

126. "Motivational research is a form of market research that attempts to discover the deepest reasons why people buy" Who said it?
1. Manson and Rath 2. Stanton
3. Still and Scweff 4. None of these

127. Basic needs consists ——
1. Physical needs like —— Food, drink
2. Safety needs — Insurance
3. Love needs — Love with wife and child
4. Goodwill/ reputation needs — Honour 5. All of these

128. The procedure for segmenting the industrial markets is different than the ——
1. Consumer markets 2. Business markets
3. Industrial markets 4. All of these

129. Which of the following statement is true?
1. Test marketing is the stage where the entire product and marketing programming is tried out for the first time in a small number of well chosen and authentic sales environments.
2. Product line - a group of products that are closely related either because they satisfy a class of need, are used together are sold to the same customer groups, are marketed through the same types of outlets, or fall within given price ranges.
3. Product-mix-the composite of product offered for sale by a firm or a business unit.
4. All of these

1. 1	2. 1	3. 4	4. 4	5. 4	6. 4	7. 4
8. 1	9. 4	10. 4	11. 4	12. 1	13. 4	14. 4
15. 4	16. 1	17. 4	18. 4	19. 4	20. 6	21. 4
22. 4	23. 4	24. 1	25. 4	26. 4	27. 3	28. 4
29. 1	30. 1	31. 4	32. 4	33. 5	34. 1	35. 5
36. 4	37. 4	38. 1	39. 1	40. 4	41. 4	42. 4
43. 4	44. 4	45. 3	46. 4	47. 1	48. 4	49. 4
50. 4	51. 4	52. 4	53. 4	54. 1	55. 1	56. 4
57. 1	58. 1	59. 1	60. 2	61. 2	62. 4	63. 4
64. 1	65. 1	66. 4	67. 1	68. 1	69. 1	70. 5
71. 5	72. 5	73. 2	74. 1	75. 3	76. 4	77. 1
78. 1	79. 1	80. 1	81. 1	82. 3	83. 3	84. 4
85. 1	86. 1	87. 1	88. 1	89. 1	90. 1	91. 1
92. 1	93. 4	94. 1	95. 4	96. 4	97. 1	98. 4
99. 6	100. 5	101. 5	102. 4	103. 1	104. 7	105. 5
106. 5	107. 6	108. 7	109. 4	110. 5	111. 2	112. 4
113. 5	114. 6	115. 1	116. 1	117. 1	118. 1	119. 4
120. 4	121. 1	122. 4	123. 4	124. 6	125. 4	126. 2
127. 5	128. 1	129. 4				

Introduction

- Marketing is an ancient art. Marketing is said to be the eyes and ears of a business organzation, because it keeps the business in close contact with its economic, political, social and technological environments. In the age of fast changes, marketing is a spring board of all activities
- Generally speaking, A marketing deals with identifying and meeting human and social needs through an exchange process. It involves an exchange intended to satisfy human wants. In economic sense, marketing is the creation of utilities such as form utility, place utility, time utility and possession utility. In our daily life, we use a number of products.
- Production creates form utility, transportation creates place utility, storage creates time utility and sales create possession utility.
- Marketing means the business activities that are directing the movement of goods and services from producer to the ultimate consumers or users. It is the process of tansferring the goods from the point of production to the point of consumption.
- Marketing is a system, which comprises different activities such as product planning, product pricing, product placing and promotion. It is concerned with all activities involved in the flow of goods and services from producer to consumer.
- Marketing is the process of providing the right quality products in the right quantity at the right place and time.

Scope of Marketing

- Study of consumer wants and needs
- Study of Buyer Behaviour
- Product planning and development: Product planning and development starts with the generation of product idea and ends with the development and commercialization of the product
- Pricing Policies: Pricing means determination of selling price for a product or service. Pricing decisions are influenced by certain internal and external factors. There are three pricing policies namely, cost oriented, demand oriented and competition oriented policies.
- Distribution: Goods are to be distributed at the minimum possible cost, to the largest number of consumers.
- Promotion: Promotion includes advertising, sales promotion and personal selling.
- Consumer Satisfaction: In the modern world consumer is the king. In other words, consumer satisfaction is one of the major goals of marketing.
- Marketing Control: Marketing also covers marketing control through marketing audit and annual reports.

Features of Traditional Approach

1. The objective of traditional marketing was profit maximisation
2. Traditional marketing was sales - oriented and not consumer oriented.
3. It gave emphasis to products.
4. It was concerned with the transfer of ownership
5. It gave emphasis to physical movement of goods.

Modern Approach of Marketing

- "Modern Marketing is a way of life in which all resources of an organization are mobilised to create, stimulate and satisfy the customer at a profit.

Features of Modern Marketing

1. Modern Marketing is consumer oriented.
2. Modern Marketing Starts and Ends with the consumer.
3. Modern Marketing starts before production.
4. Modern Marketing is the guiding element of business

Objectives of Marketing

1. Development of marketing field.
2. Development of guiding policies and their implementation to good results.
3. Overcoming the shortcomings, if any, of the existing marketing system.
4. Suggestion of solutions to marketing problems through research.
5. Gathering of marketing information through innovative methods.
6. Taking appropriate decisions in the course of actions.

7. Application of modern marketing policies.
8. Increasing consumption and well being of society.
9. Cost reduction
10. Creation of goodwill
11. Ensuring growth
12. Improving quality of life