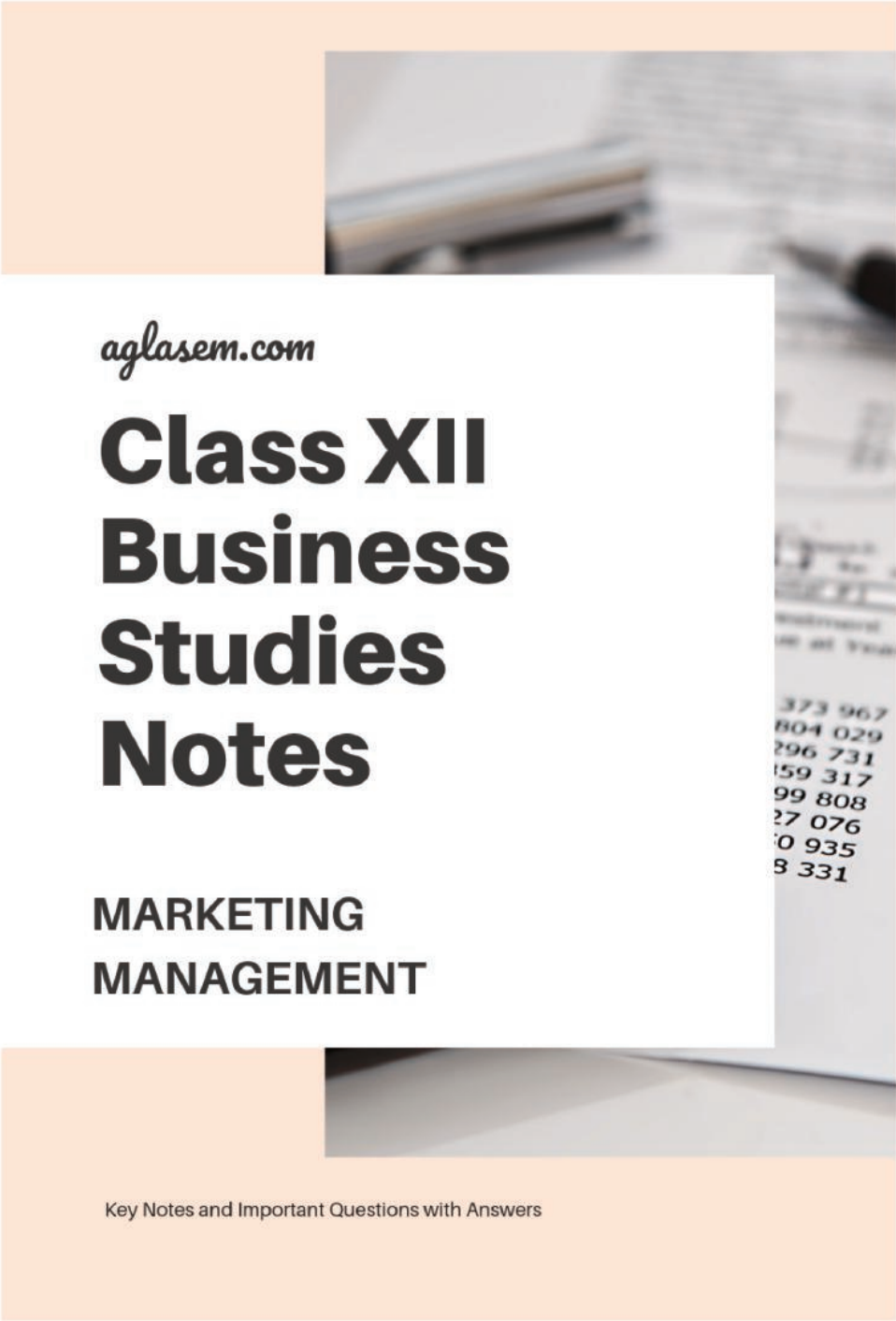




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Class XII Business Studies Notes

MARKETING
MANAGEMENT

Key Notes and Important Questions with Answers

CHAPTER – 11

MARKETING MANAGEMENT

Market: is used for a place where the buyers and sellers meet and conduct buying and selling activities. In the traditional sense, the market means a place where buyers and sellers gather to enter into transaction involving the exchange of goods and services but today business can be conducted on telephone, through mail, internet etc. In modern marketing sense the term market has a broad meaning. It refers to a set of actual and potential buyers of a product or service.

Marketer or Seller: If a customer is the seeker of satisfaction the marketer is the provider of satisfaction. Marketer can be a person or an organisation who makes available the products or services and offers them to the customer with an intention of satisfying the customer needs and wants.

Marketing

Marketing is a social process whereby people exchange goods & service for money or for something of value to them. Anything that is of value to the other can be marketed e.g.

- | | |
|----------------------|----------------------------------|
| 1. Physical Products | - T.V., Mobile phone etc. |
| 2. Services | - Insurance, education etc. |
| 3. Person | - Selection for different posts. |
| 4. Place-visit | - Agra, Taj Mahal, etc. |
| 5. Events | - Fashion show, Films Festivals |

Important Features of Marketing

1. **Needs and wants:**

Need: A state of felt deprivation or feeling of being deprived of something.

Want: Culturally defined object that is potential satisfier of need.

Marketer's Job: Identify needs and fulfil them.

2. **Creating a market offering** : Complete offer for a product of service.
3. **Customer value** : greatest benefit or value for the money.
4. **Exchange mechanism** : Exchange of products/services for money/for something of value to them.

Q1. Name the social process by which individuals and groups obtain what they need and want through creating offers.

Meaning and concept of Marketing Management

Marketing management means management of the marketing functions. It is the process of organising, directing and controlling the activities related to marketing of goods and services to satisfy customers' needs & achieve organisational goals.

Thus, marketing management process involves:

1. **Choosing a target market:** e.g., a manufacturer may choose to make ready-made garments upto the age of 5 years for children.
2. **Creating demand and attracting more customers in target market :** To increase the number of customers by analysing their needs, wants etc.
3. **Creating superior value:** To make the product better than competitors products for customers.

Meaning and Concept of Marketing and Selling

Marketing is a wide term. It refers to a large set of activities of which selling is just one part. A marketer before making the sale does a lot of other activities such as planning the type, design of the product, the price and selecting the distribution outlets at which the same would be available.

Selling: Refers to the sale of goods or service through publicity, promotion and salesmanship. The title of the product is transferred from seller to buyer. The entire focus in selling is to convert the products into cash.

Difference between Selling & Marketing

Basis	Selling	Marketing
1. Scope	It is only a part of process of marketing.	It is a wide term consisting of a number of activities such as identification, customers need etc.
2. Focus	Transfer of the title from seller to consumer.	Achieving maximum satisfaction of customer's needs and wants.
3. Pre-dominance	Product is given priority	Customer is treated as the king
4. Aim	Profits through sales volume	Profits through customer satisfaction.
5. Emphasis	Bending the customer according to the product.	To develop the products as per the customers' needs.
6. Strategies	Promotion and persuasion.	Integrated marketing efforts.

Marketing Management Philosophies

- 1. Production concept:**Emphasis on Quantity
Focus: Availability and Affordability.
- 2. Product Concept:**Emphasis on Quality
Focus: Continuously improving quality, incorporating new factors, product improvement.
- 3. Sales Concept:** Emphasis on Sales volume
Focus: Attracting and persuading customers, aggressive promotional techniques.

4. Marketing Concept: Identify a need and fill it.

Focus: Customer satisfaction

5. Societal Marketing Concept: Extension of marketing concept i.e. customer satisfaction with welfare of the society

Consider social, ethical and ecological aspects of marketing.

Differences in the Marketing Management Philosophies

Philosophies/ Bases	Production Concept	Product Concept	Selling Concept	Marketing Concept	Societal Concept
1. Starting Point	Factory	Factory	Factory	Market	Market Society
2. Main Focus	Quantity of product	Quality, performance, features of product product	Existign Product	Customer need	Customer needs and society's well being
3. Means	Availability and affordability of product	improvements	Selling and promotion	Integrated marketing	Integrated marketing
4. Ends	Profit through volume of production	Profit through product quality	Profit through sales volume	Profit through customer satisfaction	Profit through customer satisfaction and society welfare

Q.1 Raman, Joginder, John, Iqbal and Shreya are friends. They are operating different business. Each one has his/her own concept regarding operating their business.

Raman believes in producing products at a large scale. Thereby decreasing the average cost of the products and selling it at a reasonable price.

Joginder focuses on providing best quality products because he believes that a customer always wishes to buy a good quality product. The price of the product is secondary, John is of the belief that most important aspect of

business is sales and so he undertakes aggressive selling & promotional effort.

Iqbal believes that his firm can achieve its goals only by identifying the needs of the customer & satisfying them better than the competitors.

Shreya on the other hand feels that her firm has a responsibility towards the society as well. So she provides customer satisfaction along with using techniques which are environmental friendly.

a) What are the Marketing concepts followed by each of them?

b) Raman's concept is successful for him because he is into manufacturing & selling iodised salt under the brand 'Healthy salt, this product has a ready market and vast consumer base, also the products is standardised so he can focus on production at a large to cut down the cost per unit. Write any business which can be successfully run by the others using their concepts.

(Joginder-, John-, Iqbal-, Shreya)

Functions of Marketing/Marketing activities

1. **Marketing research** : Gathering and analyzing marketing information i.e. what the customers want to buy, when they are likely to buy, in what quantities do they buy, from where do they buy etc.
2. **Marketing planning**: Specific plan for increasing the level of production, promotion of the products etc. and specify the action programmes to achieve these objectives.
3. **Product designing and development**: Marketer must take decision like, what-product, which model/size?, brand name?, Packaging?, quality level? So that Customer needs are satisfied
4. **Standardisation and Grading**: Standardisation refers to producing goods of predetermined specifications which help in uniformity and consistency. It reduces the need of inspection, testing and evaluating the products.

Grading refers to the process of classifying the products into different groups. Grading is done for goods which cannot be produced according to predetermined specifications i.e. agricultural products.

5. **Packaging/Labelling:** designing the package for the product and put label on the package.
6. **Branding:** Creating a distinct identity of the product from that of competitors e.g. Videocon washing machine, Usha Fans, Lux Soap etc.
7. **Pricing of products:** setting pricing objectives, determining pricing strategies, price level etc.
8. **Customer support service:** After sales services.
9. **Promotion:** Informing the customer about the product and persuading the customer to buy the product.
10. **Physical distribution:** Decision regarding channels of distribution and physical movement of products.
11. **Transportation:** Physical movement of goods.
12. **Storage and Warehousing:** Necessary to maintain smooth flow of production and supply.

Q.1 Which function of marketing requires gathering & analysis of marketing information?

Q.2 Before buying a thing a customer analyses its cost and the satisfaction that he is to get from it. He will buy the thing only when he feels that its satisfaction will be more than its cost. Seller is to make the thing while keeping in mind this tendency of the buyer. A seller, who does not pay heed to the importance that the buyer gives to the product, certainly lags behind in competition.

Which feature of marketing has been highlighted in the above paragraph?

(1)

Marketing mix

A set of marketing tools used by a firm to pursue its marketing objectives in a target market. Product, Price, Place and Promotion are the important elements of marketing mix which are popularly known as Four P's of marketing.

Elements of Marketing Mix

I - PRODUCT MIX

Meaning and Concept of Product: Product is anything that can be offered to a market to satisfy a want or need.

Product mix refers to a combination of various features relating to the product or service like quality, size, range, package, warranty etc.

PRODUCT MIX – Three components are - Branding, Packaging, Labelling.

1. **Branding-** Giving a name/a sign; a symbol etc. to a product eg.:

Pepsi. 

Nike: 

BRANDING

Distinct Identification of a Product

Brand

AIR INDIA

Brand Name

Brand Mark



Trade Mark Brand registered under Trade Mark Act, 1999 with Government of India

Qualities of a Good Brand Name

1. **Simple and Short** : A brand name should be simple and short as Tata, Bata
2. **Easily Pronounceable** : A brand names should be easily pronounceable as Lux, Dalda.
3. **Suggestive** : Brand name should be self explanatory, suggesting the inherent quality of the product as Ujjala suggests more whiteness.

4. **Distinctive:** Brand name should be so distinctive that it highlights itself in the group of other brand names such as : Tide, Perk.

Advantages of Branding

1. Brand name helps in advertising it in an easier way.
2. Brand name establishes permanent identity of the product.
3. Branded products can be easily identified by consumers.
4. Brand name promotes repurchasing.
5. **Branding ensures a particular level of quality of the product:** If there is any deviation in the quality the customers can make a complaint to the manufacturer.

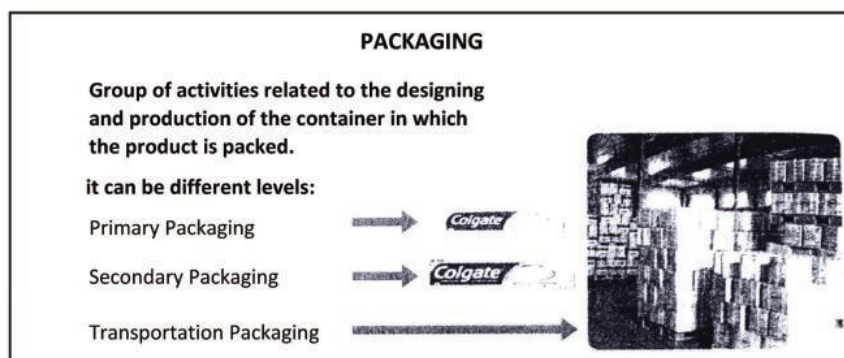
Q.1 You have come up with a brand name 'Yummy Yummy' for your noodles brand. What qualities do you think are associated with it?

Q2. State the advantage of registering 'trade mark'.

2. **Packaging-** Act of designing and producing the container or wrapper of a product. Good packaging often helps in selling the product so it is called a silent salesman.

Levels of Packaging

1. **Primary Package :** refers to the product's immediate container e.g. toffee in a wrapper, a match box.
2. **Secondary Package:** refers to additional layers of protection that are kept till the product is ready for use e.g. a Colgate toothpaste usually comes in a card board box.
3. **Transportation Package:** refers to further packaging components necessary for storage, identification and transportation e.g. package of toffees are put into corrugated boxes for storing at a manufacturer's warehouse and for transportation.



Functions of Packaging

1. **Product Identification:** Packaging helps in identification of the product.
2. **Product Protection:** The main function of the packing is to provide protection to the product from dirt, insects and breakage.
3. **Convenience:** It provides convenience in carriage, stocking and in consumption.
4. **Product Promotion:** Packaging simplifies the work of sales promotion.

Advantages of Packaging

1. **Rising standards of Health and Sanitation :** The people are becoming health conscious so they like to buy packed goods. The reason is that the chances of adulteration in such goods are minimised.
2. **Innovational Opportunity:** With the increasing use of packaging more innovational opportunity becomes available in this area for the researcher.
3. **Product Differentiation:** Packaging is helpful in creating product differentiation. The colour, material and size of the package makes differences in the quantity of the product.

Q. Which function of packaging is emphasized in case of Cadbury chocolates by using purple packaging on all its chocolates? What according to you are advantages of such packaging?

3. Labelling-

Labelling means putting identification marks on the package. Label is a carrier of information & provides information like - name of the product, name of the manufacturer, contents of the product, expiry and manufacturing date, general information for use, weight etc.

Labels perform following functions:

1. Identify the product: - It helps the customers to identify the product from the various types available. For example: We can easily identify a Cadbury chocolate from the various chocolates by purple colour of its label.

2. Describe the product and specify its contents:

The manufacturer prints all the information related to the product.



3. Grading of products: With the help of label, products can be graded in different categories for example: Brook Bond Red Label, Brook Bond Yellow Label, Green Label etc.



4. Helps in promotion of products :- Attractive and colourful labels excite the customers and induce them to buy the products. For example :- 40% extra free mentioned on detergent etc.
5. Providing information required by law :- There is legal compulsion to print batch no., contents, max retail price, weight/volume on all the products and statutory warning on the packet of cigarettes, "Smoking is injurious to health":

In case of hazardous/poisonous material appropriate safety warnings need to be put.

- Q1.** 'An important task in the marketing of goods relates to designing the label as it provides useful and detailed information about the products'. In the light of this statement, draw a label for "Tea" and highlight the important information to be provided on it. (3)
- Q2.** One manufacturer of electronic product produces such products which need special care while using it. But the company has not given the instructions to consumers. If you were the manager of the company what steps you would take?
- Q3.** Recently, prices of perfumes, which are one of the major ingredients of agarbattis, have gone up substantially. Since there is keen competition in the agarbatti market, no manufacturer increased the price of agarbattis. In turn, most of the manufacturers opted to reduce the quantity of perfumes in agarbattis to cut their cost of production. This has resulted in decreased quality of agarbattis though their prices have not changed. In order to overcome this problem, Garden Ltd. introduced a new set of agarbattis under the brand name Khushboo. Khushboo agarbattis captured the agarbattis market very quickly.
- (a) Identify the product-related issue involved in the above case and explain its three functions.

II. PRICE MIX

Meaning and concept of Price: Price may be defined as the amount of money paid by a buyer (or received by a seller) in consideration of the purchase of a product or a service. Pricing is crucial for manufacturers, customers and intermediaries. A customer will buy a product only when he perceives that value of a product is at least equal to value of money, which he has to pay in the form of price. Before framing any pricing policy following factors should be considered:

1. Pricing Objectives

- (a) to maximise profits in the short term-tend to charge maximum price.

- (b) Obtain large share of the market i.e., by maximising sales it will charge lower price.
 - (c) Firm is operating in the competitive market it may charge low price for it.
2. **Cost of Production** : Needs to be fully realised before fixing prices.
 3. **Demand** : High Demand and less supply may permit increase in price while low demand and more supply may not allow increase in price.
 4. **Competition in Market** : Prices of competitors need to be considered before fixing prices.
 5. **Government Policies**: Products regulated by government pricing regulations need to be priced as per government policies.

Q. ABC Ltd. is introducing a new car in the market. Which factors shall it consider while pricing the car?

III. Place Mix/Physical Distribution Mix

Covers all the activities required to physically move goods from manufacturers to the customers Important activities include:-

1. **Order Processing** : Accurate & speedy order processing leads to profit & goodwill & vice versa.
2. **Transportation** : Add value of the goods by moving them to the place where they are required.
3. **Inventory control** : Additional demand can be met in less time, the need for inventory will also be low.
4. **Ware housing** : Need arises to fill the gap between the time when the product is produced & time when it is required for consumption.

Channels of Distribution

Direct Channel — Manufacturer-Customer

Indirect Channel —

1. Manufacturer-Retailer-Customer.
2. Manufacture-wholesaler-Retailer-customer.
3. Manufacture ! Agent ! Wholesaler ! Retailer ! Customer



Direct Channel

Factors Determining Choice of Channels of Distribution

Choice of appropriate channel of distribution is a very important marketing decision, which affects the performance of an organisation. Whether the firm will adopt direct marketing channels or long channels involving a no. of intermediaries is a strategic decision.

Factors Determining Choice of Channels of Distribution



Q. Anandi, a budding entrepreneur wishes to operate a business of Flowers. Since they are perishable in nature, she plans to open a flower shop so that she can directly sell them to the customers. Being a small venture, the number of consumers is also less. So she decides that the direct channel of distribution is better. Her friend, Rajeev is a manufacturer of gift. Items. He is confused regarding the level of channel he should follow. Can you guide him regarding the problem? Give points for support of yours answer. (3)

IV. Promotion Mix

It refers to combination of promotional tools used by an organisation to communicate and persuade customers to buy its products.

Elements of Promotion Mix



Tools/Elements of Promotion Mix

1. **Advertising:** Most commonly used tool of promotion. It is an impersonal form of communication, which is paid by the marketers (sponsors) to promote goods and services. Common mediums are newspaper, magazine, television & radio.

Role or Importance of Advertising

1. Enhancing customer satisfaction and confidence.
2. Helpful in increasing the demand of existing product.
3. Helpful to increase the market share.
4. Helpful in generating more employment.
5. Helpful in the economic development of the country.
6. Knowledge of various product.
7. No fear of exploitation.

Objections against Advertising : Though advertising is one of the most frequently used medium of promotion of goods & services but it attracts a lot of criticism/objections against it, which are as follows:

1. **Increased Product Price :** Which is ultimately added to product cost, manufacturers pass this cost to ultimate customers.

2. **Confusion to Customers :** The number of advertisements shown for a single product having different brands confuse the customers and it becomes very difficult for them to make choice.
3. **Encouraging sale of Inferior Products :** In many cases some product features are over emphasized.
4. **Advertisement of Bad Tastes :** Events, models degrade the human dignity.
5. **Undermines Social Values and Promotes Materialism:** It induces the customers to buy more and more products. Because of emphasis on materialism, social relationships are distorted which brings social disorder.

In the changed economic environment of globalisation, advertising is considered as an important tool of marketing. It helps a firm in effectively communicating with its target market, increasing the sale and thereby reducing the per unit cost of production. It is not a social waste rather it adds value to the social cause by giving a boost to production and generating employment.

- Q.1** You have an advertising agency. A manufacturer of consumer product like Soap, Tooth Paste has come to you to help him in promotion of his products. Convince him how advertising can assist in giving boost to his sales?
- Q.2** You are participating in a school debate on the topic 'Role of advertising for the business & society, you have to speak against the topic i.e., on negative fallouts/objections against advertising. Support your topic point wise.
- Q.3** A commercial unit uses rocks, trees, electric poles, historical monuments and walls to advertise its products. Which faults of the company does this advertising policy show?

2. **Personal Selling**

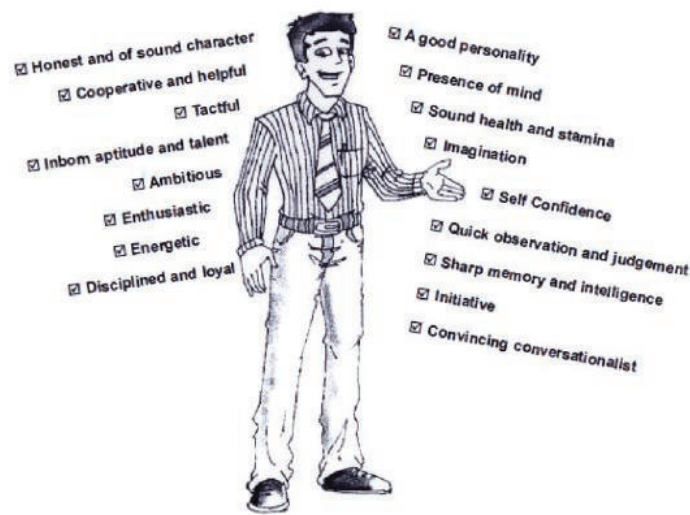
Personal selling consists of contacting prospective buyers of product personally i.e face to face interaction between seller and buyer for the purpose of sale.

Features of the Personal Selling

1. Personal contact is established under personal selling.
2. Oral conversation.

3. Quick solution of queries.
4. Receipt of additional information.
5. Development of relationship with the prospective customers which may become important in making sale.

Qualities of a Good Salesperson



Qualities of a Good Salesman

1. **Physical Qualities** : Physical qualities include personality health, stamina and tolerance. A salesman can instantly connect with the customers if he is good looking and smart.
2. **Mental Qualities** : These include mainly skills, mental alertness, imagination and self confidence.
3. **Technical Qualities** : He should have full and updated knowledge about the product he is selling-Its features, price and variety available. He should be aware of the nature of work carried on by the firm, he is working for.

4. **Good communication skills** : He should be able to develop a good conversation with the customer. He should be confident while he is communicating and should be able to answer all the queries of the customer satisfactorily.
5. **Honesty** : It is a very important quality of a good salesman. In order to establish the goodwill of firm he must be honest and sincere in performing his duty. A salesman who resorts to selling inferior goods, charging higher rates, providing wrong information, giving exaggerated claims etc. will cause a decline in goodwill of the firm in the long run.
6. **Courtesy** : A Salesman who is polite and courteous generates buyer's confidence selling product becomes easy for him.
7. **Persistent** : "Never give up", is the spirit that a salesman should have. Making the customer buy maximum amount of a product is the ultimate task given to him.
8. **Capacity to inspire trust** : The salesman should have the convincing power to develop the belief in a customer that the product he is buying is the best product in the market.

- Q.1** Sanjay is a salesman at Croma Store, an electronic goods initiative. He has been awarded 'Employee of the year'. What qualities do you think he must be having to receive the award?
- Q.2** Every organisation desires that it should have goodwill in the minds of all concerned. To establish goodwill, it is essential to have dialogue. It is by way of dialogue that an organisation gets the necessary information. How is it possible?

3. **Sales Promotion**

Short term incentives designed to encourage the buyers to make immediate purchase of a product/service.



Techniques:

1. **Rebate** : Special price to clear off excess inventory.
2. **Discounts** : Price reduced to induce buyers to buy more.
3. **Sampling** : Free sample of a product to customers to try product & learn about it.
4. **Lucky draw** : Lucky draw coupon e.g. purchase an easy product & win a car etc.
5. **Full Finance @ 0%** Easy financing schemes.
6. **Contests** : Competitive events involving application of skills or luck.
7. **Product Combination** : Offering another product as gift along with the purchase of a product.

8. **Instant draws and assigned gift** : Scratch a card and instantly win a prize with the purchase of a TV, T. Shirt, Refrigerator etc.
9. **Quantity Gift** : Offering extra quantity of the product e.g., Buy three LUX soaps and get one free.
10. **Refunds**: Refunding a part of price paid by customer on some proof of purchase.
11. **Usable benefit**: Purchase goods worth ' 5000 and get two movies tickets.

Q.1 Which techniques of sales promotion is being referred to in the below given points:

- (i) Free sample of shampoo pouch with a fairness cream.
- (ii) Upto 50% off on most items.
- (iii) Tooth brush free with Tooth paste.
- (iv) Buy 3 packs of 1 litre juice and get another free.
- (v) Scratch the card and dial a number to win a car.

Q2. A company uses some promotional schemes like 'buy one, get one free', free samples, free gifts and so on to boost the sales of its products and earn higher profits. This results in unnecessary hike in the prices of the products. In your opinion, is this policy in the interest of society?

Public Relations

"The Chartered Institute of Public Relations" defines Public Relations as 'a strategic management function that adds value to an organization by helping it to manage its reputation'

Public relations covers a wide range of tactics, usually involve providing information to independent media sources in the hope of gaining favorable coverage. It also involves a mix of promoting specific products, services and events and promoting the overall brand of an organization, which is an ongoing tact. Public Relation tools include:

1. **Press Release:** A press release is an announcement of an event, performance, or other newsworthy item that is issued to the press by a public relations professional of an organization.

It is written in the form of a story with an attractive heading so that the media quickly grasp and circulates the message through newspaper/radio/television/internet.
2. **Press Kits:** It is a comprehensive package of information outlining a company's products and services most frequently sent to members of the press. It includes
 - A brief company biography.
 - Information of senior management.
 - Comments from customers.
 - Reprints of newspaper and magazine articles.
 - Photos of products.
3. **Brochures:** It is a booklet published by the organization which contains the organization's background, its ethics, vision, mission, its past, present and future projects, its CISP, etc. E.g.: brochure given to new employees.
4. **Newsletter:** It is a printed publication produced at regular intervals focussing on a particular set of people. The content of a newsletter is presented in a writing style that is less formal and letter-like. For example, a newsletter published by a college consists of information about activities conducted during a particular period, special achievements by students or teachers, etc.
5. **Events and Press support:** Special events are acts of news development. The ingredients are time, place, people, activities, drama, showmanship; one special event may have many subsidiary events, such as luncheons, banquets, contests, speeches, and many others as part of the build up.
6. **Conferences and Seminars:** Conferences and seminars are conducted for making people aware about the organization. For example travel companies generally call prospective clients and offer travel packages. The members are contacted through telephones and asked to attend seminar.

7. **Websites:** A website acts as a window for the outside world to know an organization. So it is designed not just to serve as a resource for members, but also to present a positive message to non-members who are browsing through.

ROLE OF 'PR' IN AN ORGANISATION

- (i) Smooth functioning of business and achievement of objectives.
- (ii) Building corporate image that affects favourably on its products. Up keep of parks, gardens, sponsoring sports activities etc.
- (iii) Build interest in the established product and help in launching products.
- (iv) Establishing positive image if products facing adverse publicity.
- (v) Acting as a supplement of advertising in promoting new as well as existing products.

Q.1 'Various tools of communication are used by the marketers to promote their products.'

- (a) Why do companies use all tools at the same time?
- (b) Name and explain the most commonly used non-personal tool of promotion which is paid for by the marketer.
- (c) Which tool of promotion will primarily be used for the following?
 - (i) To promote or protect a company's image or its individual products.
 - (ii) An existing product meant for mass usage by literate people.
 - (iii) To introduce a new product to a particular class of people through door-to-door visits.
 - (iv) To attract attention of the people by using incentives. (6)

- Q.2** As a project work in Business Studies subject, the Commerce students of "Knowledge School" thought of setting up a recycling plant to recycle all the waste papers from the school and prepare registers and exercise books to be used by the school students. They approached their Principal who not

only appreciated the idea of the students but also gave them consent for the same. The school also decided to donate 50% of the revenue generated from the sale of registers and exercise books to a nearby blind school.

- (a) State the product related decisions which the children have to take.
- (b) Suggest any two factors the children should keep in mind while choosing the right name for their exercise books and registers.

Q.3 Innovators Ltd. is business from manufacturing water purifier. It has already been manufacturing water purifiers since last 10 years. Now it has come up with a latest innovation in the field of RO purifiers which will avoid wastage of water. It knows that there are many competitors in the field as Whirlpool, Aquaguard, Zero B, Kent, Eureka Forbes, LG etc.

- (i) Suggest which factors should it keep in mind while fixing the price of purifier (any 3) (3)
- (ii) Which channel of distribution should the company adopt? (1)
- (iii) Which is the most appropriate sales promotion methods for this. (1)

Q.4 Mr. Akshay is the Sales Manager of Nova Ltd. Since last few months, performance of his department has failed to reach the acceptable level. It is a matter of concern for the General Manager. He is keen to mend this dismal situation at any cost. Mr. Akshay made efforts to find out the causes of this situation. He found that the members of his team lacked training and that giving incentive to the buyers was absolutely necessary. To impart training to his team members he set up a training center and appointed a trainer for this purpose. The trainer imparted them necessary training keeping in mind the actual situation. Besides Mr. Akshay launched a scheme for the customers. Under this scheme, a coupon is to be issued to that consumer who buys goods to a specified date. Later on, draw will be taken by a given date and will be distributed among the winners.

Identify the said training and sales promotion methods. (3)

HOW TO CRACK CASE STUDIES

- At first read the question asked in the case study.
- Now read the given case carefully and identify the points which will direct you to solve the given case.

- Tips to identify the points to case:
 - If something about variety, after sale service and availability is mentioned that means PRODUCT is being discussed.
 - In relation to Marketing Management philosophy:
 - * When production/distribution is at large scale (Production concept)
 - * When quality is improved or features are added to existing product (Product concept)
 - * When aggressive selling techniques are used (Selling concept)
 - * When a product is offered as per customer satisfaction/needs (Marketing concept)
 - * When societies interest and customers requirements taken care of (Social marketing concept)
- When necessary/statutory information on product are missing (Label)
- When new products are added to existing line (Product mix)
- Decision relating to price of a product (Price mix)
- Naming a product (Branding)
- Decision related to distribution/product availability in market (Physical Distribution mix)
- Enhancing Public Image (Public relation)
- Measures used for increasing the sale of product (Promotion mix)

Q.1 'Beauty Products Ltd' is a natural and ethical beauty famous for offering organic beauty products for men and women. The company uses plant based materials for its products and is the No. 1 beauty brand in the country. Identify the marketing management philosophy being following by 'Beauty Products Ltd.'

Ans. Social marketing concept.

Q.2 A company was marketing water purifiers which were very popular due to their quality and after sales services provided to the customers. The company was a leading company in the market and earning huge profits. Because of huge profits, the company ignored the after sales services. As a result, its relationship with customers got spoiled and the image of the company was

damaged in the public. The top management became concerned when the profits for the current quarter fell steeply. On analysis, it was revealed that ignoring the after sales services was its reasons. Therefore, the company took all possible measures to protect and promote its favourable image in the eyes of the public. As a result, the goodwill of the company improved in the society.

- (a) Name and state the communication tool used by the marketer in the above case to improve its image.
- (b) Also explain role of the tool as identified in part (a)

Ans. (a) Public Relations is being used as a promotional tool by the marketer. It refers to the practice of managing communication between an organization and its publics in order to create and maintain a positive image about itself and its products.

(b) The role of public relations as a promotional tool is described below:

1. Public relations helps to create a positive image about the company in the eyes of various interest holders like consumers, government, suppliers etc.
2. It helps in launching new products as they may be accepted easily because of good reputation of business.
3. It helps the business to reinstate itself in the wake of controversies or prejudices etc.

Q.3 Unilever has found a new way to make ice creams by using an ingredient called 'ice structuring protein' which is widely found in nature especially, in fishes which allows them to survive in freezing arctic waters. Combining ISP with stabilizer technology allows to make ice creams that don't melt so easily thereby making it more convenient for small children and consumer in hot countries.

In the context of above case:

1. Identify the component of marketing mix being into consideration by the company.
2. Explain briefly the function of marketing highlighted here.

Ans. 1. The component of marketing mix being taken into consideration by the company is 'Product'.

2. **Product designing and development:** Every marketer strives to achieve his marketing objectives by creating offering to satisfy a need or a want. Therefore one of the core functions of marketing is to develop the product in the most effective and efficient way. Every marketer endeavours to add value to his product by introducing constant innovations in the product to enhance both its utility and attractiveness in the eyes of the potential buyers and gain a competitive edge.

Q.4 Raj is a small entrepreneur involved in the manufacturing of hair wax. He finds that cost of production of 100 gm of hair wax is Rs. 80. He has decided to keep a margin of 20% as profit moreover, he has assessed that there is a cut throat competition in this product segment. In the context of above case:

1. Identify the function of marketing being performed by Raj.
2. State briefly the two factors that he is taking into consideration while performing the function as identified in part (a)

Ans. 1. Pricing is the function of marketing being performed by Raj.

2. The two factors that he is taking into consideration while performing the pricing function are as follows.

1. Cost of product:
2. Degree of competition: