

12th Standard Business Studies

Marketing

1. Market It refers to the 'set of potential and actual buyers of a product or service'.

2. Customer It refers to the people or organisations that seek satisfaction of their needs and wants.

3. Marketer or Seller The marketer can be a person or organisation who make available the products or services and offer them to the customer with an intention of satisfying the customer with an intention of satisfying the customer needs and wants.

4. Marketing It is a social process by which individuals and groups obtain what they need and want through creating, offering and freely exchanging products and services of value with others.

According to JF Pyle, "Marketing is that phase of business activity through which the human wants are satisfied by the exchange of goods and services."

5. Features of Marketing

- (i) Need and want
- (ii) Creating a market offering
- (iii) Customer value
- (iv) Exchange Mechanism

6. Marketing Management It means management of all the activities related to marketing or in other words we can say, it refers to planning, organising, directing and controlling the activities which result in exchange

of goods and services.

Marketing management involves following activities

- (i) Choosing a target market
- (ii) Growing customers in target market
- (iii) Creating superior value

7. Difference between Selling and Marketing The marketing and selling can be differentiated on the basis of

- (i) Scope (ii) Objective (iii) Focus
- (iv) Start and end (v) Efforts (vi) Supremacy
- (vi) Approach (viii) Demand

8. Marketing Management Philosophies

- (i) Production concept
- (ii) Product concept
- (iii) Selling concept
- (iv) Marketing concept
- (v) Societal concept

9. Objectives of Marketing Management

- (i) Creation of demand
- (ii) Market share
- (iii) Goodwill
- (iv) Profitable sales volume through customer satisfaction

10. Functions of Marketing

- (i) Gathering and analysing market information
- (ii) Market planning
- (iii) Product designing and development
- (iv) Standardisation and grading

- (v) Packaging and Labelling
- (vi) Branding
- (vii) Customer support services
- (viii) Pricing of products
- (ix) Promotion and selling
- (x) Physical distribution
- (xi) Transportation
- (xii) Storage and warehousing

11. Role of Marketing

- (i) Role in firm (ii) Role in the economy

12. Marketing Mix The marketing mix refers to the ingredients or the tools or the variable which the marketer mixes in order to interact with a particular market.

According to Philip Kotler, “Marketing mix are the set of – marketing tools that firm uses to pursue its marketing objectives in the target market.”

13. Elements of Marketing Mix

- (i) Product (ii) Place
- (iii) Price (iv) Promotion

14. Product The product element of the marketing mix signifies the tangible or intangible product offered to the customer which satisfies the need.

15. Classification of Product or Service Product or goods can be classified in two categories

- (i) Consumer goods (ii) Industrial goods

16. Consumer Goods

(i) On the Basis of Durability

- (a) Durable products
- (b) Non-durable products
- (c) Services

(ii) Classification Based on Consumers Buying Behaviour and Attitude

- (a) Convenient goods
- (b) Shopping goods
- (c) Speciality goods

17. Industrial Product Industrial products are used as input or raw material to produce consumer goods, e.g., tools, machinery etc.

Features of industrial produced are

- (i) Number of buyers
- (ii) Channel of distribution
- (iii) Geographical concentration
- (iv) Derived demand
- (v) Technical consideration
- (vi) Reciprocal buying
- (vii) Leasing

18. Types of Products Industrial goods are classified as

- (i) Material and parts
- (ii) Capital item
- (iii) Supplies and business services

19. Product Mix It refers to important decisions related to the product such as quality of product, design of product packing of product etc.

- (i) Branding A brand is the identification of a product. It can be in the form of a name, symbol or design etc.
- (ii) Various Terms Related to Brand
 - (a) Brand (b) Brand name
 - (c) Brand mark (d) Trademark

- (iii) Advantages of Brand Name
 - (a) Helps in product differentiation
 - (b) Helps in advertising
 - (c) Differential pricing
 - (d) Easy introduction of new product
- (iv) Advantages to Customer
 - (a) Helps in identification of product
 - (b) Ensures quality
 - (c) Status symbol

20. Packaging It can be defined as a set of tasks or activities which are concerned with designing, production of an appropriate wrapper, container or bag for the product.

- (i) Level of Packaging There are three levels of packaging
 - (a) Primary packaging
 - (b) Secondary packaging
 - (c) Transportation packaging
- (ii) Importance of Packaging
 - (a) Rising standard of health and sanitation
 - (b) Self-service outlets
 - (c) Product differentiation
 - (d) Innovational opportunities
- (iii) Functions of Packaging
 - (a) Protection (b) Identification (c) Convenience (d) Promotion

21. Labelling It means putting identification marks on the package
Functions of labels are as follows

- (i) Describe the product and specify its contents
- (ii) Identify the product
- (iii) Helps in grading
- (iv) Promotes sale
- (v) Providing information required by law/legal requirement

22. Price Price is the value which a buyer passes on to the seller in lieu of the product or service provided.

23. Price Mix It refers to important decisions related to fixing _ the price of a commodity.

The factors kept in mind while fixing the price of a commodity or service

- (i) Pricing objectives
- (ii) Product cost
- (iii) Extent of competition in the market
- (iv) Customer's demand and utility
- (v) Government and legal regulation
- (vi) Marketing methods used

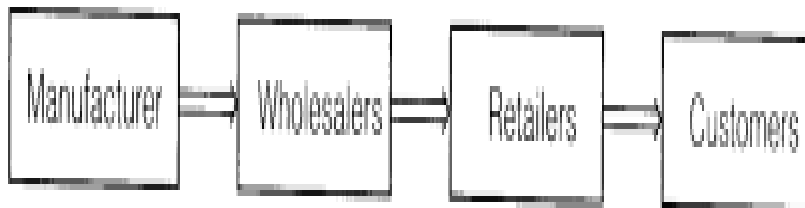
24. Pricing Strategies There are two pricing strategies

- (i) Price skimming
- (ii) Penetration pricing

25. Place/Physical Distribution Place refers to the set of decisions that need to be taken in order to make the product available.

26. Place Mix It refers to important decisions related to physical distribution of goods and services. These decisions are deciding the channel of distribution, market for distribution.

27. Channels of Distribution

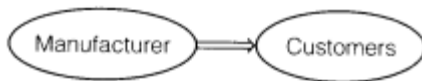


28. Functions of Distribution Channels

- (i) Sorting/Grading (ii) Accumulation
- (iii) Variety (iv) Packaging
- (v) Promotion (vi) Negotiation
- (vii) Risk taking

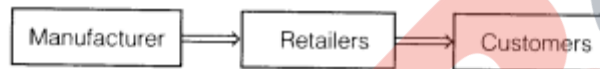
29. Types of Distribution Levels

(i) Zero Level Channel/Direct Channel



(ii) Indirect Channel

(a) One Level Channel



(b) Two Level Channel



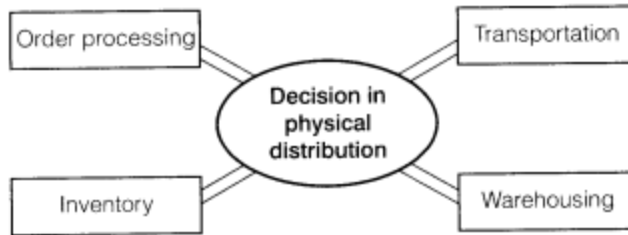
(c) Three Level Channels



30. Factors Determining Choice of a Channel

- (i) Product-related factors
- (ii) Competitive factors
- (iii) Company related factors
- (iv) Market-related factors
- (v) Environmental factors

31. Components of Physical Distribution



32. Promotion Mix It refers to all the decisions related to promotion of sales of products and services.

Following are the tools or elements of promotion. They are also called elements of promotion mix.'

- (i) Advertising
- (ii) Sales promotion
- (iii) Personal selling
- (iv) Publicity

33. Advertising It can be defined as the paid form of non-personal presentation and promotion of ideas, good or services and by identified sponsor.

34. Advantages of Advertisement

- (i) Reach
- (ii) Choice
- (iii) Legitimacy
- (iv) Expressiveness
- (v) Economy
- (vi) Enhancing customer satisfaction

35. Disadvantages of Advertisement

- (i) Less forceful
- (ii) Less effective
- (iii) Difficulty in media choice
- (iv) Inflexibility
- (v) Lack of feedback

36. Objections to Advertising

- (i) Adds to cost
- (ii) Undermines social values
- (iii) Confuses the buyers
- (iv) Encourages sale of inferior products
- (v) Some advertisements are not appealing

37. Different Media Available for Advertising

- (i) Newspapers (ii) Magazines
- (iii) Television (iv) Radio
- (v) Outdoor (vi) Internet

38. Sales Promotion It refers to short-term use of incentives or other promotional activities that stimulate the customer to buy the product.

39. Sales Promotion Techniques for Customers

- (i) Rebate (ii) Discount
- (iii) Refunds (iv) Product combination
- (v) Quantity gift (vi) Instant draws and assigned gift
- (vii) Lucky draw (viii) Usable benefit
- (ix) Full finance @ 0%
- (x) Sampling (xi) Contents

40. Merits of Sales Promotion

- (i) Attention attract
- (ii) Useful in new product launch
- (iii) Synergy in total promotion efforts
- (iv) Aid to other promotion tools

41. Demerits of Sales Promotion

- (i) Reflect crisis (ii) Spoil product image

42. Personal Selling Personal selling means selling personally. This involves face-to-face interaction between seller and buyer for the purpose of sale.

43. Features of Personal Selling

- (i) Personal interaction (ii) Two-way communication
- (iii) Better response (iv) Relationship
- (v) Better convincing

44. Qualities of a Good Salesman

- (i) Physical qualities (ii) Social qualities
- (iii) Mental qualities (iv) Other qualities

45. Publicity Publicity is a non-paid form of impersonal communication

- (i) Merits of Publicity
 - (a) More credibility (b) Mass research
- (ii) Limitations of Publicity
 - (a) Firms have no control
 - (b) Limited information