



# INDIAN SCHOOL MUSCAT FINAL TERM EXAMINATION

SET B

## SUBJECT :MARKETING

CLASS: XI

Sub. Code:812

Time Allotted:

3 Hrs.

14.02.2019

Max. Marks:60

### EXPECTED VALUE POINTS AND SCHEME OF EVALUATION

Q.NO	Answers	Marks (with split up)
1	Careful monitoring of an organization's internal and external environment for detecting early signs of opportunities and threats that may influence its current and future plans. It is a process of scrutinizing and weighing up changes and trends in marketing environment by the firm	1
2	The way consumers perceive it in comparison with competitors	1
3	Umbrella, woolen clothes	1
4	It can be defined as a marketing function in which the organisations identify the needs and wants of the target market and then align the marketing activities in such a manner that their marketing efforts socially responsible and thereby help the organisation in gaining the trust of the society.	1
5	(c)It cannot be separated from the service provider.	1
6	A public means any group that has an actual or potential interest in or impact on the company's ability to achieve its objectives.	1
7	The selection of potential customers whom a business wishes to sell products or services. (i) Existing market share and homogeneity (ii) Nature of competitive environment (iii)Existing product expertise (iv)Available corporate resources.	1+1
8	a)Economic conditions: <ul style="list-style-type: none"><li>• People in the high income bracket have higher purchasing power. They buy expensive and trendy goods. People in the low income groups buy simple and relatively cheaper goods.</li></ul> (b)Lifestyle: lifestyles are identified by observing activities, interests, opinions and	2

demographics. The activities of individuals like hobbies, shopping, sports etc. indicates a lot. People's interests can be observed from their preferences of food, fashion, recreation, media choice etc.

- 9 **Penetration pricing** is a pricing strategy where the price of a product is initially set at a price lower than the eventual market price to attract customers. 1+1  
Its main objective is to increasing market share or sales volume.  
The price will be raised later once this market share is gained.  
**Market skimming Pricing:**  
Goods are sold at higher price so that fewer sales are needed to break even.  
Selling a product at a higher price sacrificing high sales to gain a high profit.  
This strategy is often used to target early adopters of a product or service.  
Most commonly used strategy and refers to a firm's desire to skim the market by selling at a premium price.
- 10 **Large segment strategy:** 1+1  
  - When a market is segmented and marketing resources are limited, the marketer may decide to pursue a large segment strategy.
  - A mass market may be divided into three sectors. One of the segments is large enough and representing 50% or more of the market would be the centre of focus. It is called as single segment marketing.
  - There are large risks associated with this strategy.**Small segment strategy:**  
  - Although a market may provide three segment opportunities, a business with limited resources and capabilities may decide to compete only in the smallest segment.
  - Smallest segment is normally ignored by large competitors.
  - For example Mercedes, used a small segment strategy to focus on luxury car market. Due to competitive pressure and attractiveness of adjacent segments, it is following a dual segment strategy.
- 11 People: Marketing can help people to market themselves. Politicians are the most suitable and common example of people marketing. Politicians market themselves to the customers (voters) by promising them certain bundle of benefits. Some of the well-known personalities are Amitabh Bach Chan, Sachin Tendulkar etc. not only successful in marketing themselves but also they lent their names to products like perfumes, retail stores and clothes. 3  
Information: is basically produced and marketed and distribute by universities, schools, colleges, newspapers, books etc to the customers at a price. The customers here might be parents, students and communities.
- 12 1) Competition from similar products: the most direct form of competition occurs amongst marketers of similar products. For example, competitors in electronic home appliances are LG, Samsung, Philips etc. 1+1+  
2) Competition from substitute products: it involves products that can be substituted for one another. For example, Indigo competes with Jet airlines. The increase in fares of one airline increases demand for other airline services. 1  
3) Competition amongst all firms:

Modern marketers accept the argument that all firms compete for a limited amount of market share

- 13 1)Marketing creates utilities 1+1+  
 (i) Form utility: changing the form of raw material into finished product. 1  
 (ii) Place utility: from the place of production, transporting goods to the place of consumption.  
 (iii) Time utility: products available when needed(process of storing the good)  
 (iv) Information utility: ingredients of the product, how to get the product & how to use the product.  
 (v) Possession utility: transfer of ownership from retailer to customer.  
 2) large number of choices available:  
 Marketers create needs and wants and try to satisfy that through offering variety of product choices. Example Lux, pears, Rexona, dove are range of soaps offered by HUL.  
 3) more platforms are available:  
 With the advent of technology, the marketers are offering customers both offline and online platforms to purchase. Customers search for information from different online platforms and buy the best deal.
- 14 (a) Initiator 1+1+  
 (b) Decider 1  
 (c) preparer
- 15 Positioning defines where your product stands in relation to others offering similar product and services in the market place as well as the mind of the customer. 1+1+  
 A good positioning gives the product a Unique Selling Propositions. (USP) 1

Physical positioning and Perceptual Positioning

Point of difference	Marketing Concept	Selling Concept
Definition	Marketing is the process of creating value for customer and delivering goods and services for earning profit	Selling isd the process of encoring customers for increasing sales.
Objectives	To satisfy customer through goods and services	To increase sales of goods and services
Scope	Scope is wider	Its scope is narrow
Profit	This concept earns profit through customer satisfaction	This concept earns profit through attractive sales and promotion
Emphasis	This concept emphasis on customer needs	This concept emphasis on products or services.

17.

**Marketing mix is the core of marketing process:**

1x4

- Marketing mix involves important decisions relating to each element of the mix. The impact of the mix is best when proper weightage is allotted to each element and they are combined for attaining best results.

**2. Marketing mix has to be reviewed constantly in order to meet the changing requirements:**

- The marketing manager has to constantly review the mix and the market scenario and make necessary changes in the marketing mix according to changes in the conditions and complexity of the market.

**3. Changes in external environment facilitate alterations in the mix:**

- Changes keep on taking place in the external environment. For many industries, the customer is the most fluctuating variable of environment. Customers' tastes and preferences change very fast. Brand loyalty and purchasing power also change over a period. The marketing manager has to carry out market analysis constantly to make necessary changes in the marketing mix.

**4. Changes taking place within the firm also necessitate changes in marketing mix:**

- Changes within the firm may take place due to technology or product line or in the size and scale of operation. All such changes call for corresponding changes in the marketing mix.

**5.Helps to achieve organizational goals:**

- An application of an appropriate marketing mix helps to achieve organizational goals like increased profits and market share.

(Any four)

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**Cultural factors:**

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Culture is a combination of values and beliefs, religions and customs which influences consumer behaviour directly or indirectly.

**Cultural factors comprise of set of values and ideologies of a particular community or group of individuals.**

- It is the culture of an individual which decides the way he/she behaves. In simpler words, culture is nothing but values of an individual. What an individual learns from his parents and relatives as a child becomes his culture. The culture varies from region to region and even from country to country. Therefore, the marketer should carefully study all the different cultures and frame the marketing strategies accordingly.
- Sub-culture consisting of psychological, social or geographical source of consumer group indicates their unique demand pattern in consumption behaviour. For example in North India people prefer chapatti as staple food where as in south people prefer rice.

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**Advertising:** It is a paid form of communication designed to persuade potential customers to choose the product or service over that of a competitor.

1x4

**Objectives:**

- To increase profit by increasing sales.
- make business and product name familiar to the public.
- Attract customers to find out more about your product or service.
- Create goodwill and build a favourable image.

### Sales Promotion:

- It is a process of persuading a potential customer to buy the product.
- They are short term in nature and aim at stimulating quick sales.
- They include discount coupons, price offs, lucky draws, free trials etc.

### Personal Selling

- It refers to the use of sales persons to persuade the buyers to act favourably and buy the product after meeting face to face with the customer.
- Personal selling is a direct display of the product to the customers or prospective buyers.
- Its main advantage is Potential for development of relationships.

**Public relations** is a strategic communication process that builds mutually beneficial relationships between organizations and their **publics**."

**Public relations** can also be **defined** as the practice of managing communication between an organization and its **publics**.

It involves a variety of programmes to promote and protect a company's image & its products in the eyes of the public

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### Mass Marketing strategy:

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- When differences in customer needs are small , business may decide to use a mass market strategy or undifferentiated marketing.
- The firm may produce only one product or product line and promote it to all customers with a single marketing mix. It is called undifferentiated marketing.
- Sony, coca cola, philips etc. use global market strategy.

If separate products and programmes are designed for different segment it is called differentiated marketing

### (b) Adjacent Segment strategy:

- When a single segment focus has reached the point of full market penetration, the marketer opts for adjacent market strategy.
- Suzuki entered the Indian market with the maruti 800 at the low price (Alto serves this segment).

As maruti penetrated this segment, it moved to an adjacent segment in terms of price & quality by adding Maruti Zen. Next maruti esteem...and is a market leader in each segment.

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1. Problem Recognition: In this stage, the consumer becomes aware of the difference between the actual state (where we are now) and the ideal state (where we want to be). This stage motivates the individual to achieve the desired state of affairs. 1x5= 5
2. Information Search: In the second stage the consumer gathers information related to his/her fulfilment of a desired state of affairs. This search identifies alternative means of problem solution. High involvement purchases may invite large information searches, while low involvement purchases require little search activity. The search may include internal or external sources of information. An external search collects information from outside sources which may include family members, sales personal, advertisements and product reviews
3. Evaluation of Alternatives: The third step in the consumer decision making process is to evaluate the evoked set of options identified during the search step. It helps in choosing a brand or product in the evoked set, when all those which were identified during the initial search seem to be unsatisfactory. Marketers can try and educate

customers and help the customers in expanding his/her evoked set to include the product they are offering.

4. Purchase Decision and Action:

The search and alternative evaluation stages of the decision process result in the final purchase decision and the act of making the purchase. At this stage the consumer has evaluated each alternative in the evoked set based on his personal set of evaluative criteria and lowered the alternatives to one

5. Post Purchase evaluation: the purchase act might result in one of two:

(a) Satisfaction: the buyer feels satisfied at the reduction of the gap between the actual and ideal states or might experience dissatisfaction with the purchase. Consumers are generally satisfied if purchases meet with their expectations.

(b) Dissatisfaction : consumers experience some post purchase anxieties, called cognitive dissonance. It is a thought that one has not made the right decision.

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**Determining opportunities:**

- The interaction between the business and its environment identifies opportunities and helps in getting 'First Mover Advantage' out of it successfully.
- Opportunities mean the positive or favourable external forces that are likely to help a firm increase its business. For Example Maruti Udyog, which was the first company to identify a demand for small, economic cars in India in the 1980s.

1x5=  
5

**(2) Identification of Threats:**

- Threats refer to the negative or unfavourable external factors that create hurdles for a firm.
- Environmental scanning helps to identify possible threats in future and give warning signals to the firms.

For example, an Indian firm finds that MNC is entering the Indian market with new substitutes. It is a warning signal for Indian firm. The Indian firm can improve the quality of its products, reduce cost of production

**3) Sensitization of Management to cope with Rapid changes:**

A keen watch on the trends in the environment would help to sensitize the firm's management to the changing technology, competition, government policies and changing needs of the customers. For example trend in clothing

**(4) Formulation of strategies and Policies**

Environmental analysis helps in identifying threats and opportunities in the market. They can serve as the basis of formulation of strategies to counter threats and capitalize on opportunities in the market.

Example; Reliance, Airtel, Tata, Bajaj Auto have engaged the services of experts to trends in the external environment

**(5) Image Building**

If a firm is sensitive to the external environment, it will come out with new products and services to meet the requirements of the customers. This would build the image or reputation of the firm in the eyes of the customers and the general public.

Example, LG was able to enhance its brand image in the Indian market in a short span of time.