



INDIAN SCHOOL MUSCAT

First Term Examination



Class: XI

MARKETING

Time Allotted: 3 Hrs

23.09.2018

Sub. Code: 812

Max. Marks: 50

EXPECTED VALUE POINTS AND SCHEME OF EVALUATION

Q.N.	Answers	Marks
1.	Ans: Marketing	1
2.	Ans: (c) Both (a) and (b)	1
3.	Ans: (c) Adapts to external environmental changes	1
4.	Ans: Market segmentation is the process of dividing a heterogeneous market (aggregated) into homogeneous sub unit (segregated).	1
	OR Market segmentation is the identification of portions of the market that are different from one another or share a similar set of needs.	
5.	Ans: (a) The way consumers perceive it in comparison with competitors.	1
6.	Ans: Differentiated marketing	1
7.	Ans: Customer value is difference between the values benefits the customer gains from owning a product and cost of obtaining the product. Customer Value = Total Customer Benefits – Total Customer Costs	1 + 1 = 2 Marks
8.	Ans: 1. Marketing promotes product awareness to the public 2. Marketing helps in enhancing product sales 3. Marketing builds company reputation (ANY TWO – ANY OTHER RELEVANT POINT)	1 + 1 = 2 Marks
9.	Ans: (a) Environmental scanning is a process of scrutinizing and weighing up changes and trends in marketing environment by the firm. (b) An Environmental Threat and Opportunity Profile (ETOP) gauges the impact of various environmental forces on the firm.	2
10.	Ans: • Macro-environment refers to external forces that are part of the larger society and so are beyond the control of firm's management. • Micro environment indicates the factors and forces in the immediate area of operation of the firm which affect the marketing manager's ability to serve the customers.	1 + 1 = 2 Marks
11.	Ans: Physical Positioning and Perceptual Positioning	1 + 1 = 2 Marks
12.	Ans: (a) Correct, because the two are meant for different segments. (b) Incorrect. A company should recognise different segments and should develop appropriate products and services, and position and brand them accordingly.	2
13.	Ans: 1. Creation of Demand: The marketing management's first objective is to create demand through various means. A conscious attempt is made to find out the preferences and tastes of the consumers by the company. Demand for the products and services are created by informing the customers their utility.	1 X 3 = 3 Marks

2. **Customer Satisfaction:** Marketing begins and ends with the customer. Satisfaction of the customers is outcome of understanding of needs and meeting them successfully.
3. **Market Share:** Every business aims at increasing its market share. It is the ratio of its sales to the total sales in the economy. For this, businesses adopt innovative strategies in marketing, advertising, sales promotion activities and even through innovative packaging, etc.
4. **Generation of Profits:** The marketing department is the only department which generates revenue for the business. Sufficient profits must be earned as a result of sale of want-satisfying products. Profits are also needed for the growth and diversification of the firm.
5. **Public Image:** To build up the public image of a firm over a period is another objective of marketing. Goodwill of company is created over a period of time with regular emphasis on customer satisfaction through continuous improvement in product and services.

(ANY THREE)

14. **Ans:** 1 x 3 =
3
Marks
- Demographic environment help marketers to understand the factors that constitute potential market for company's products.
 - The changing habits, tastes and life styles of the population also give directions to the marketers to meet the demand in the market.
 - Demography is important to marketers as it helps to divide the population into market segments and target markets.

(ANY OTHER RELEVANT POINT)

15. **Ans:** 1 X 3
= 3
Marks
- (a) **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 or Philips etc.
 - (b) **Competition from substitute products:** The second type of competition involves products that can be substituted for one-another. For example, in air transport industry, Indigo competes with Jet airlines. The increase in fares of one airline increases demand for other airline services.
 - (c) **Competition amongst all firms:** The final type of competition occurs among all organizations that compete for the consumer's purchases. In other words, modern marketers accept the argument that all firms compete for a limited amount of market share.

16. **Ans:** 1 X 3
= 3
Marks
- (a) **Positioning is about identity what you are in the marketplace vis-a-vis your competitors.**
 - (b) **Positioning is concerned about creating a perception in a consumer's mind about the nature of company and its products relative to competitors.**
 - (c) **It refers to developing a Unique Selling Proposition (USP) or identification of particular appeal that the firm can present to the customers in each target segment.**
 - (d) **A marketing mix is designed to implement target market strategy and marketing communications convey the intended positioning.**

(ANY THREE – ANY OTHER RELEVANT POINT)

17. **Ans:** 1 X 4
= 4
Marks
- **The technological environment is one of the fastest changing factors in the macro environment.**
 - **Advancements in technology leads to greater productivity, higher quality and lower cost of production for the business.**
 - **The impact of new information technology has sped up communication between business houses and customers. There is now an increasing trend towards e-commerce because of easier availability of information technology throughout the world. The marketers must constantly watch changes in technology for keeping track of competition and customer wants.**
 - **In any country, the state of technology plays an important role in determining the type and quality of goods and services to be produced and**

the type of plants and equipment to be used. Early adoption of new technology helps in new improved products and increases the competitive advantage of the business firm.

(ANY OTHER RELEVANT POINT)

18. **Ans:** **Psychographic segmentation examines mental characteristics and predispositions connected with purchasing habits. It is related with similarity of values and lifestyles. It is concerned with the interests, activities and opinions of consumers, and is often related to life styles.** 1 +
1 ½ +
1 ½

1 + 3
= 4
Marks
- Two Variables**
- (a) **Personality Characteristics:** Advertising agency, Young & Rubicam has classified customers into Mainstreamers (not to stand out of crowd), Reformers (creative and caring, many doing charities, and buying private labels), Aspirers (young, ambitious, and keen to get on, and buy latest designs and models), and success achievers (achieved in life, feel no need for status symbols or bother for what people will say). Similarly, Briggs and Myres have developed four personality dimensions:
- i. Extrovert/introvert
 - ii. Sensitive/intuitive
 - iii. Thinking/feeling
 - iv. Judging/perceptive
- (b) **Lifestyle:** Lifestyle and consumption are closely related, and therefore, marketers adopt it for segmentation. Lifestyle means approach to life. AIO (Activities, interests, and opinions) reflect lifestyles of people. The most popular consumer lifestyle framework is a survey from SRI Consulting Business Intelligence. It classifies customers into eight groups – Innovators, Thinkers, Achievers, Experiencers, Believers, Strivers, Makers, and Survivors. A detailed profile of customers is necessary for developing effective advertising campaigns.
- (c) **Values:** Values reflect the realities of life. Researchers at Survey Research Centre at University of Michigan have identified nine basic values: Self Respect, security, Excitement, Fun and enjoyment in life, having warm relationships, Self-fulfillment, Sense of belonging, Sense of accomplishment, Motives/hobbies, Knowledge and being well respected.

(ANY TWO)

19. **Ans:** 1 X 6
6 =
Marks

Point of Difference	Marketing Concept	Selling Concept
1. Definition	Marketing is the process of creating value for customer and delivering goods and services for earning profit.	Selling is the process of encoring customers for increasing sales.
2. Objective	The objective of this concept is to satisfy customer through goods and services.	The objective of selling concept is to increase sales of goods and services.
3. Scope	The scope of marketing concept is wider.	The scope of selling concept is narrow.
4. Emphasis	This concept emphasis on customer needs.	This concept emphasis on products or services.
5. Profit	This concept earns profit through customer satisfaction	This concept earns profit through attractive sales and promotion.
6. Start	This concept starts with actual and potential customers	This concept starts with existing product.
7. Market segmentation	This concept thinks about market segmentation deeply.	This concept never thinks about market concept.
8. Marketing mix	This concept gives equal importance on marketing mix.	This concept gives importance on only promotion.

9. Effectiveness	This concept is applicable in pure competition market.	This concept is useless in pure competition market
10. Price	Consumers determine price.	Cost determines price.
11. View on business	It views business as a customer satisfying process.	It views business a goods producing process.

(ANY SIX)

20. Ans:

- **Mass market strategy or ‘undifferentiated marketing’:** A firm may produce only one product or product line and promote it to all customers with a single marketing mix.
- **Large segment strategy:** When a market is segmented and marketing resources are limited, the marketer may decide to pursue a large segment strategy. It means to concentrate organisation’s marketing efforts on a single segment. We may also call it as the Single-segment marketing. Single market segment strategy can also be called as ‘concentrated targeting’ strategy or ‘niche’ strategy.
- **Adjacent segment strategy:** When a single segment focus has reached the point of full market penetration and after a single-market segment has been successful, the marketer opts for adjacent marketing strategy
- **Multi-segment strategy:** Multiple market-based strategies aims at greater marketing efficiency. This strategy is known as multi-segmentation strategy. For e.g. Nike produces shoes for golfers, tennis players, basketball players, for cricketers, and thus serves many segments relating to sports shoes. This strategy is also called as ‘differentiated marketing strategy’.
- **Small Segment Strategy:** A small segment is normally ignored by large competitors, using mass market or large segment strategies. It follows a dual-segment strategy.
- **Niche segment strategy or ‘Concentrated marketing strategy’:** is targeting a limited number of consumers or a particular set of customers seeking somewhat specialised benefits from a good or service.
- **Sub-segment strategy:** If there are meaningful differences in customer needs within segments which are presently not being met by current market segmentation, then there is need for possible sub-segmentation. For example, a ready food kitchen may go in for segmentation within such segment. It may go for office delivery, food for standing on the ground floor, and customers sitting with air-conditioned atmosphere on the first floor. Food remains the same, but prices differ. We may call it as ‘Micromarketing’.

(ANY SIX)

1 X 6

=

6

Marks
