

COMMON PRE-BOARD EXAMINATION 2017-2018

MARKETING Marking Scheme

General Instructions:

- (i) This question paper is divided into four sections.
- (ii) Section A contains 9 questions carrying one mark each. Answer all these questions.
- (iii) Section B contains 12 Short Answer Type Questions carrying two marks each. Answer any ten of these questions.
- (iv) Section C contains 9 Short Answer Type Questions carrying three marks each. Answer any seven of these questions.
- (v) Section D contains 4 Long Answer Type Questions carrying five marks each. Answer any two of these questions.

SECTION A

- | | | |
|----|---|--------|
| 1. | Answer: (c) Augmented product | 1 mark |
| 2. | Answer: (b) Heterogeneous shopping goods | 1 mark |
| 3. | Answer: (a) High | 1 mark |
| 4. | Answer: (b) Non-business | 1 mark |
| 5. | Answer: (b) Trade promotion | 1 mark |
| 6. | Answer: (c) Refund offers | 1 mark |
| 7. | Answer: (c) Consumers | 1 mark |
| 8. | Answer: (a) Physical evidence | 1 mark |
| 9. | Answer: (b) Less control | 1 mark |

SECTION B

Answer any **ten** questions from this section.

10. Product positioning refers to the manner in which a product is offered to a particular customer of a particular segment for the aim to meet the customer's needs.

1 Mark

Product repositioning refers to the manner in which a marketer changes the whole product in order to satisfy a particular segment or customer.

1 Mark

11. No two services can be the same, because services depend to a large extent on human actions and interactions between customers and providers. Since production and consumption goes in simultaneously, there is no chance to rectify a faulty product before it reaches the customer. Thus, heterogeneity makes it difficult to standardize the quality of service.

2 Marks

12. They are goods that a customer purchases frequently, with minimum effort and time to make a buying decision. Example being soft drinks, soaps, bread, milk etc.

1 Mark

These can be further classified into three categories:

(a) **Staple Goods** - Example bread, milk, eggs

(b) **Impulse Goods** - Example chocolates, magazines.

(c) **Emergency Goods** - Examples of consumer shopping for tooth brushes or shaving blades at tourist destinations.

1 Mark

13. **MARKETING STRATEGY OF SPECIALTY GOODS:**

(a) **Price:** They are usually marked at high prices.

(b) **Promotion:** Targeted promotion by both producer and reseller.

(c) **Place:** Exclusive selling in only one or few selected outlets per market.

(d) **Product:** Jewelry, Rolex watches, fine crystals, etc.

2 Marks

14. Limitations of out-of-Home Advertising

(i) It draws 2-3 seconds of a reader's time; hence it is a glance medium.

(ii) Messages must be brief to fit in 2-3 seconds time frame.

(iii) It is not conducive to a very short, weeklong camp.

(any two points 1 Mark each)

15. Value-based price is a pricing strategy which sets prices primarily, according to the perceived or estimated value of a product or service to customer rather than according to the cost of the product.

For example, the products sold at 'Fab-India' or 'Forest Essentials' cosmetics are considered as premium products by the customers and so are priced high.

2 Marks

16. (i) more of personal selling is required.
(ii) For goods where not much difference is there in features and performance more of sales promotion is required.
(iii) For seasonal products, off-season sale is very important, but advertising is required for round the year sale.

(any two points 1 Mark each)

17. Cash Share-Out - A sum of fixed money is divided among all those returning the requisite number of proofs of buying the product or service.

1 Mark

Reduced Price Offers (RPOs) - RPO are flashed on-pack, offering a saving (Rs 10) or a price slashed through and a lower price given.

1 Mark

18. **A consumer package** is one which holds the required volume of a product for ultimate consumption is economical and can be easily purchased by the consumer.

2 Marks

19. **The Core Product**

It is the basic element of the product. For example, if we take Dove Soap, the core component is the soap, the generic constituent, as in the case of any other bathing soap.

1 Mark

The augmented product: The augmented product aims to enhance the value of the product/offer through voluntary improvements. In the example of Dove soap, the fragrance of the soap, the moisturizing ability, the pristine white colour etc.

1 Mark

20. (i) Provides description of the product and specifies its content
(ii) Identifies the product or brand
(iii) Aids in product grading
(iv) Facilitates in the promotion of products.
(v) Helps in providing information required as per the law

2 Marks

21. **Profitability objectives:**

(i) **Target Rate of Return on Investment or Net Sales**

In this, the price represents **cost of production and profit margin.**

1 Mark

(ii) **Profit Maximization**

Profit maximization is an important objective for any business for its survival. In recent times though, the business philosophy has changed.

1 Mark

SECTION C

Answer any **seven** questions from this section.

3x7=21

22. (i) It provides information about the product
(ii) It helps in identifying brand name
(iii) It assists in protecting the product

- (iv) It helps in product handling
- (v) It aids in promoting the product.
- (vi) It helps in offering customer convenience and satisfaction
- (vii) It helps increase in the sales of the product.
- (viii) It adds to the use of a product.
- (ix) It contributes to the safety of a product.

(any 6 points ½ mark each)

23. The characteristics of this stage are

- (i) Costs would be decreased as a result of increase in production volumes
- (ii) The Sales volumes peak and market saturation is visible.
- (iii) Competitors entering the market increase
- (iv) There is drop in prices due to entry of competing products
- (v) Advertising spend incurred on brand differentiation
- (vi) Product feature diversification is emphasized to maintain or enhance market share.

(six points ½ mark each)

24. **Regularly Unsought Products:** The products which exist but the consumers do not want to purchase them as of now, but might eventually purchase them. Example: Life Insurance Products or Doctor's services.

(1 ½ Marks)

New Unsought Products: The marketers task is to inform target consumers of the existence of the product, stimulate demand and persuade them to buy the product. Example: Oral Polio Vaccine was unsought initially.

(1 ½ Marks)

25. Every marketing activity starts with the customer and ends with the customer. Every marketing activity is customer driven and a customer would only purchase a product only when it is available to him.

1 Mark

Importance

- (i) Availability of product depends upon efficiently managed place.
- (ii) Place is the process of moving products from the producer to the intended user.
- (iii) The right place means greater chances of sales over a longer period of time.
- (iv) It is not possible for manufacturer to sell directly to consumers without the intermediaries mentioned or place consideration.

2 Marks

26. **Cost plus Pricing-**

Cost plus pricing is a cost-based method for setting the prices of goods and services.

In this approach the cost estimates of a product is made and margin of profit is added to determine the price.

Selling Price = Unit total cost + Desired unit profit

(1 ½ Marks)

Markup is the difference between the cost of a good or service and its selling price. This pricing policy is generally adopted by the resellers who obtain the product from producers or whole sellers use a percentage increase on the top of product cost to arrive at an initial price.

(1 ½ Marks)

27. (i) To determine firm's Competitive Position and Market share
(ii) To achieve the financial goals of the company
(iii) To determine the quantum of production
(iv) To determine the product positioning and distribution in the market
(v) To determine the quality and variants in production
(vi) To establish consistency with the other variables in the marketing mix

(1/2 Mark each)

28. The following factors, concerning the producer, affect the selection of the channel of distribution:

- (i) Level of Production.
(ii) Financial Resources of the Company
(iii) Managerial Competence and Experience

(along with explanation 1 Mark each)

29. If the strategy adopted in promotion is to motivate and persuade the intermediaries' to make effort to increase the sales the strategy is called push strategy. It emphasizes more of personal selling (hard selling) along with advertising and other trade promotional measures.

(1 ½ Marks)

On the other hand, the pull strategy emphasizes on consumers. The advertising by the manufacturer may persuade the consumer to ask for the goods to their retailers. Retailers in turn will ask the wholesalers and the wholesalers to manufacturer.

(1 ½ Marks)

30. Sales promotion is any activity which adds value to a product or service for a limited time period by offering an incentive to purchase.

Objectives:

- (i) Increased trial
(ii) Increasing Loyalty
(iii) Widening Usage
(iv) Creating Interest
(v) Creating awareness
(vi) Deflecting Attention from Price
(vii) Gaining Intermediary Support
(viii) Discriminating among users
(ix) Restoring Brand Perceptions and deflecting attention from Complaints after operational Mishandling of customer accounts

(any six points ½ Mark each)

SECTION D

Answer any **two** questions from this section.

5x2=10

31. Competitive pricing is setting the price of a product or service based on what other firms are charging. This type of pricing generally takes place in perfect competitive market situation. Here product is homogeneous and buyers and sellers are well informed about market price and market conditions.

(2 Marks)

- (i) Going rate pricing
- (ii) Sealed Bid pricing
- (iii) Discriminatory Pricing

(1 Mark each with explanation)

32. (i) Objectives of the firm
(ii) Role of Top Management
(iii) Cost of the Product
(iv) Product Differentiation
(v) Marketing Mix
(vi) Size of the organization
(vii) Location of the organization
(viii) Nature of Goods
(ix) Promotional programs

(any five points along with explanation 1 Mark each)

33. Online marketing is the promotion of products or brands via one or more forms of electronic media. Online marketing is using of internet based channels to spread a message about a company's brand, products, or services to its potential customers.

1 Mark

Advantages of Online Marketing

1. Brand Awareness
2. Measure Impact
3. Acquiring Valuable Customers
4. Use of Analytics
5. Better medium
6. Customer Analysis

Disadvantages of Online Marketing

1. Impersonal
2. Competitive
3. Catching Attention

(along with explanation of points 4 marks)

34. **Functions of Wholesalers**

The wholesaler performs the following important marketing functions in the process of distribution of goods and service:

- (a) Buying and Selling
- (b) Storage
- (c) Transportation
- (d) Grading and Packing
- (e) Financing
- (f) Risk-taking
- (g) Promotion

(any five points with explanation 2 ½ Marks)

Function of Retailers

Retail stores or retailers have strategic importance as a channel of distribution. They perform the following function:

- (a) Collection of goods
- (b) Time Utility
- (c) Transportation
- (d) Financing
- (e) Customer Education
- (f) Spokesperson of Customers

(any five points with explanation 2 ½ Marks)