ANSWER KEY

SECTION A

1. According to Philip Kotler and Kevin lane keller have defined “Marketing management as the art and science of choosing target markets and getting, keeping and growing customers through creating, delivering and communicating superior customer value”.
2. S- Segmentation, T- Targeting, P- Positioning

According to Kotler and Armstrong market segmentation is dividing a market into smaller groups of buyers with distinct needs, characterstics, or behaviours who might require separate products or marketing mixes.

Market targeting is a process of taking decision regarding the market segments to be served

Market Positioning or Product Positioning is arranging for a product to occupy a clear, distinctive and desirable place relative to competing products in the minds of target consumers.

1. Cobranding is a rising phenomenon in which two or more well-known brand is combined in an offer. Cobranding is also known as dual branding is an emerging phenomenon in the field of branding strategy. Each brand sponsors expects that the other brand names will strengthen purchase intension.
2. [Product](https://www.marketing91.com/what-is-a-product/) standardization refers to the process of maintaining uniformity and consistency among the different iterations of a particular good or service that are available in different [markets](https://www.marketing91.com/types-of-market/). It is a process of marketing a good or service without making any changes to it. If a product is changed at all, it is only changed superficially. Otherwise, the characteristics of the good or service remain uniform. It is made using the same materials and processes, has the same packaging and is marketed under the same name
3. Predatory pricing, also known as undercutting, is a [pricing strategy](https://en.wikipedia.org/wiki/Pricing_strategies) in which a product or service is set at a very low price with the intention to achieve new customers ([Loss leader](https://en.wikipedia.org/wiki/Loss_leader)), or driving competitors out of the [market](https://en.wikipedia.org/wiki/Market_(economics)) or to create [barriers to entry](https://en.wikipedia.org/wiki/Barriers_to_entry) for potential new competitors.
4. Charm pricing or psychological pricing is designed to encourage purchases that are based on emotional rather than rational responses. Psychological pricing (also price ending, charm pricing) is a [pricing and marketing strategy](https://en.wikipedia.org/wiki/Pricing_strategies) based on the theory that certain prices have a psychological impact.
5. Supply chain Management means strategically procuring the right input (raw materials, components and capital equipment) converting them efficiently into finished products and dispatching them to the final destination
6. Retailing is trading activity directly related to the sale of goods or services to the ultimate consumers for personal or non-business use

A retailer is a company that buys products from a [manufacturer](https://www.myaccountingcourse.com/accounting-dictionary/manufacturer) or [wholesaler](https://www.myaccountingcourse.com/accounting-dictionary/wholesaler) and sells them to end users or customers.

1. Green Marketing is the marketing of environment friendly products and services based on the environmental benefits. It is the marketing of products that are presumed to be environmental benefits.
2. Demarketing refers to discouraging customers in general or a certain class of customers in particular, to reduce the consumption of a product either on temporary or permanent basis.
3. "Buy one, get one free" or "two for the price of one" is a common form of [sales promotion](https://en.wikipedia.org/wiki/Sales_promotion). Economist [Alex Tabarrok](https://en.wikipedia.org/wiki/Alex_Tabarrok) has argued that the success of this promotion lies in the fact that the price actually takes into account the fact that two items are being sold. The price of "one" is somewhat nominal and is typically raised when used as part of a buy one get one free deal. Whilst the cost per item is proportionately cheaper than if bought on its own, it is not actually half price.
4. Labelling refers to display of information about the product on its container, packaging or the product itself. The term labelling designates all labels and other written, printed or graphic matters upon or in any package or wrapper in which it is enclosed.

SECTION B

1. IMPORTANCE OF MARKETING MIX

The marketing mix is important on the following ways

* Helps in new product development
* Helps to increase the product portfolio
* Helps as a guide to improve a business
* Helps in differentiation
* Helps the business to be dynamic
* Promotes better utilisation of limited resources
* Helps in goal achievement
* Provides customer satisfaction

1. Market positioning or product positioning is arranging for a product to occupy a clear, distinctive and desirable place relative to competing products in the minds of target customers.

Positioning is the act of designing the companys offering and image to occupy a distinctive place in the target markets mind.

POSITIONING STRATEGIES

* Positioning in relation to product attributes
* Position in relation to competition
* Positioning by price and quality
* Positioning the product as best for some user group
* Positioning the product as best for some use or application
* Finally the product can be positioned for different product class

15) Packaging is the application of scientific knowledge, artistic talents and technology to cover the products so as to preserve them for distribution. It is wrapping a commodity or boundling it in a suitable way for transporting, storing and handling. It is the dressing of the product to satisfy a particular customer need.

FUNCTIONS OF PACKAGING

* Physical protection
* Containment
* Information
* Promotion
* Security
* Convenience
* Re-use
* Transportation

16) David Aaker defines brand equity as " a set of assets and liabilities linked to a brand, it's name and symbol that add to or subtracts from the value provided by a product or service to a firm and or that firm's customers".

KEY ELEMENTS OF BRAND EQUITY

* Brand loyalty
* Brand awareness
* Perceived quality
* Brand associations
* Other other proprietary brand assets such as patents, trademarks, logo,package,etc.

17) Resale Price Maintenance(RPM) is a policy where manufacturer want to control the prices at which retailers will resell the manufacturer's product. It is the practice in which the manufacturer and distributors of a product sell that product at certain prices or at above a price floor(minimum resale price) or at or a price below a price ceiling(maximum resale price).

If a distributor or reseller refuses to maintain these resale prices the manufacturer may discontinue his dealings with that distributor.

OBJECTIVES OF RPM

* To ensure fair pricing for a product.
* To avoid unauthorised price changes by the resellers.
* To maintain price stability and changes in price are restricted to the allowed price ranges such as the price floor(minimum price) and the price ceiling(maximum price).
* To exercise control over the price of a product by the manufacturer.
* To avoid unfair trading of the product in a market and ensure standardisation in the product dealings in a market.

18) LOGISTICS:

Philip Kotler defines logistics as "planning,implementing and controlling the physical flow of materials and finished goods from the point of origin to the point of use to meet the customer's need at a profit".

LOGISTICS MIX

* Information flow / Information Logistics
* Inventory Logistics
* Warehousing Logistics
* Packaging Logistics
* Transportation

19) Relationship marketing is a strategy designed to cultivate customer loyalty, interaction and long-term association with the company.

ADVANTAGES OF RELATIONSHIP MARKETING

* It helps companies to effectively retain the customer's.
* It increases the loyalty of customers to the firm.
* Better mouth publicity by the customers reduces the promotion expenses. Loyal customers recommend the products / services to others.
* The customers will give creative suggestions and feedback to the company.
* Repeated dealings by the customers.
* Overall increase in sales and profits of the firm.
* Better customer relations make easy the introduction of new products and services.

20) ONLINE MARKETING

Online marketing refers to the application of marketing principles and techniques by means of electronic media and more specifically the internet. It is also known as internet marketing and E-marketing.

It is the application of the internet and related technologies to achieve marketing objectives.

TYPES OF ONLINE MARKETING

* Banner Advertisements (Web Banner or Banner Ad)
* E-mail marketing
* Partnership or affiliate marketing
* Search Engine Marketing (SEM)

21) Product mix refers to a group of products manufactured or traded by the firm to strengthen it's presence in the market,increase its market share and increase the sales turnover for more profitability. It is the list of all products offered for sale by an enterprise.

DIMENSIONS OF PRODUCT MIX

* Width of product mix
* Length of product mix
* Depth of product mix
* Consistency of product mix

SECTION C

22) New Product Development is a process to design,develop,test and introduce new products in the market so as to ensure the growth and survival of a firm.

Any product that the customers treat as an addition to the available choices could be considered as a new product. Product development is the process of finding out the possibilities of producing a product keeping in view the customer's needs, wants and demands.

STEPS IN NEW PRODUCT DEVELOPMENT

* Idea generation
* Idea screening
* Product Concept Development and Evaluation(Concept Testing)
* Marketing strategy development
* Business analysis
* Product development
* Test marketing
* Commercialisation / Launching the new product
* Post launch analysis

23) A channel of distribution means the path or route through which goods flow from the producers to ultimate consumers. In other words, , it is a distribution network through which producer puts his products in the market and passes it to the actual users.

FACTORS AFFECTING THW CHOICE OF CHANNEL OF DISTRIBUTION

MARKET FACTORS

* Number of buyers
* Geographical distribution
* Size of order
* Buyer of products

PRODUCT FACTORS

* Perishability
* Unit value
* Weight
* New products

COMPANY FACTORS

* Financial resources
* Size of the company
* Policy of distribution

MIDDLEMEN FACTORS

* Attitude of middlemen
* Availability of middlemen
* Services
* Sale potential

ENVIRONMENTAL FACTORS

COST OF CHANNEL

24) GUERILLA MARKETING

Guerilla marketing is a product or service related campaign or advertising which uses unconventional or odd techniques to get the attention of people. It uses great amount of imagination, creativity, surprise and amazement.

Guerilla marketing is defined as an act of applying unusual marketing strategies for promoting products in an unconditional way by incurring less amount of money. The principle behind guerilla marketing is " investing energy instead of money".

FEATURES

* It uses great amount of imagination, surprise and creativity.
* It creates a feeling of amazement among people.
* It uses strange and unconventional technique of product campaigns.
* The objective of guerilla marketing is to reach the masses with a low budget.
* It is suitable for small businesses having less amount of money for product campaigns.
* The message of guerilla marketing has high recall value.
* Fewer resources and big campaigns are the important specialities of guerilla marketing.
* The campaigns of guerilla marketing use the scope of communication through word of mouth and social media.

ADVANTAGES

* Low cost
* Creative campaigns
* Word of mouth publicity
* Media hype
* Free publicity

DISADVANTAGES

* Some guerilla marketing campaigns may create irritation and discontent among public and result in negative feelings about the brand.
* It can be illegal and contrary to popular belief of the public which makes a brand unpopular.
* Guerilla marketing requires a greater level of dedication and energy than traditional advertising which may raise the cost of campaign.
* The public may misunderstand the message of guerilla marketing and companies fail to attain the anticipated output from such campaigns.
* Sometimes companies have to face backlash from public and people boycotting their products.

25) Price is the exchange value of goods and services in terms of money. Pricing simply means the act of setting the price of a product or service. It is a method of deciding the value a manufacturer has to receive while delivering products to consumers.

Pricing is viewed as the process of selecting the pricing objectives, determining the possible range of prices, developing price strategies, setting the final price, and implementing and controlling pricing decision.

IMPORTANCE OF PRICING

* Flexibility
* Creating impression
* Sales promotion
* Fighting competition
* Image

FACTORS AFFECTING PRICING DECISION

* Organisational objectives
* Pricing objectives
* Cost of production
* Government rules and regulations
* Nature of the product
* Size of the market
* Price of the competitors
* Economic conditions
* Product Life Cycle
* Distribution channel
* Customer demand
* Barriers in the industry
* Marketing mix strategy