



Collegedunia NCERT Notes

NCERT Revision Guide for Class 12 Business Studies

Chapter 11: Marketing

What this chapter covers (class 12 business studies notes chapter 11 Marketing): meaning of marketing and market, four features and ten functions of marketing, marketing vs selling concept, the marketing-mix (4 Ps), product classification, branding, packaging, labelling, factors affecting price, channels of distribution, physical distribution and the four-tool promotion-mix (advertising, personal selling, sales promotion, publicity). Session 2026-27.

Contents

1. Meaning of Marketing	1
2. Functions of Marketing	2
3. Marketing Concept vs Selling Concept	3
4. The Marketing-Mix (4 Ps)	4
5. Channels of Distribution	7
6. The Promotion-Mix	8
7. Labelling	10
8. JEE / CUET-Style Extensions	11
9. Quick Reference Summary	12

Also see for this chapter: [Revision Notes](#) | [Handwritten Notes](#)

1. Meaning of Marketing

NCERT Definition

Marketing 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 (Philip Kotler).

Marketing is not just selling. It begins long before a product is produced (identifying customer needs, designing the product) and continues long after the sale (after-sales service, repeat purchase). It is the function that links the firm to the customer.

1.1 Four Features of Marketing

1. **Needs and wants.** The starting point. A *need* is a basic requirement; a *want* is the culturally-shaped form of a need. South Indian's want = dosa; North Indian's want = chapatti; both satisfy the same hunger need.
2. **Creating a market offering.** A complete offer with features, price, place, supporting service.
3. **Customer value.** Buyers buy on *value* (benefit) over *cost* (price + effort + risk). The marketer's job is to raise the ratio.
4. **Exchange mechanism.** Two parties, each with something of value, who can communicate and deliver. Voluntary exchange is the heart of marketing.

2. Functions of Marketing

The NCERT identifies *ten* functions performed by marketers. These functions explain why every modern firm has a separate marketing department.

Ten Functions of Marketing

Market Information

Marketing Planning

Product Designing

Standardising & Grading

Packaging & Labelling

Branding

Customer Support

Pricing

Promotion

Physical Distribution

2.1 The Ten Functions in Detail

1. **Gathering and analysing market information.** Continuous study of customer needs, competitor moves and trends.

2. **Marketing planning.** Setting marketing objectives and strategies (target market, positioning, marketing-mix).
3. **Product designing and development.** Quality, size, design, package, brand decisions.
4. **Standardisation and grading.** Standardisation = uniform products; grading = sorting into classes (Grade A apples, FAQ tea).
5. **Packaging and labelling.** Container design + printed information.
6. **Branding.** Name, sign, symbol, design that differentiates the product.
7. **Customer support services.** Pre-sale guidance, after-sales help, complaints, credit, technical support.
8. **Pricing of products.** Set price considering cost, competition and value to customer.
9. **Promotion.** Advertising, personal selling, sales promotion, publicity.
10. **Physical distribution.** Channels, transportation, warehousing, inventory.

Memory Aid - 3-Bucket Grouping

Pre-production: info, planning, design.

Prepare product: standardise / grade, package / label, brand.

Take to market: price, promote, distribute, support.

3. Marketing Concept vs Selling Concept

The Distinction

Selling concept: the firm pushes existing products through aggressive promotion to drive short-term sales volume. **Marketing concept:** the firm starts with customer needs and designs the offering to satisfy them for long-term profit.

3.1 Six Points of Distinction

Basis	Selling Concept	Marketing Concept
Start	The factory (what is produced)	The market (what customer needs)
Focus	Existing products of the firm	Customer needs and wants
Means	Selling and promoting heavily	Integrated marketing (4 Ps)
End	Profit through sales volume	Profit through customer satisfaction
Horizon	Short term: "sell what you have"	Long term: "make what will sell"
Direction	Inside-out (firm → customer)	Outside-in (customer → firm)

Quick Tip

Peter Drucker's verdict: "The aim of marketing is to make selling superfluous." Quote in 6-mark answers; almost always earns the half-mark for "conclusion".

3.2 Five Stages of Marketing Philosophy (NCERT)

NCERT identifies *five* marketing-management philosophies that evolved over time. Many board questions ask for the differences across all five (not just two), so memorise the table.

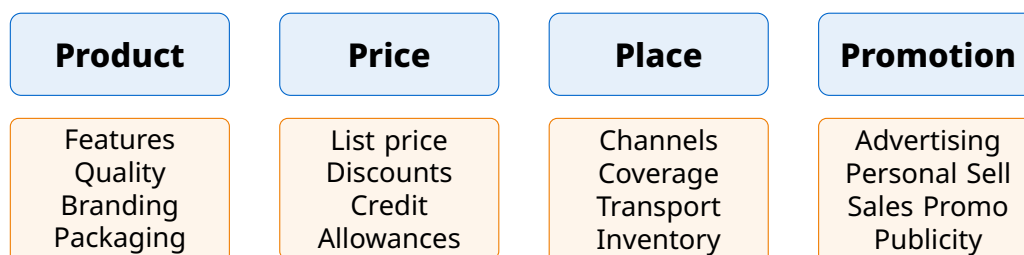
Basis	Production	Product	Selling	Marketing	Societal
Start point	Factory	Factory	Factory	Market	Market + Society
Focus	Quantity of product	Quality, performance, features	Existing product	Customer needs	Customer needs + society's well-being
Means	Availability & affordability	Product improvements	Selling & promoting	Integrated marketing	Integrated marketing
Ends	Profit via volume	Profit via quality	Profit via sales volume	Profit via satisfaction	Profit via satisfaction + social welfare

Societal Marketing Concept (NCERT, 2026-27): the firm should identify needs of the target market and deliver satisfaction *effectively and efficiently*, while preserving and enhancing the long-term well-being of consumers and society at large. Triggered by concerns like environmental pollution, deforestation, resource shortage, population growth, inflation.

4. The Marketing-Mix (4 Ps)

Kotler Definition

The **marketing-mix** is the set of *controllable marketing variables* that the firm blends to produce the response it wants from the target market. The four elements are popularly called the *4 Ps*: **Product, Price, Place, Promotion**.



4.0 Why the 4 Ps Matter

The 4 Ps are not a checklist; they are a *system*. A change in one P forces a rethink of the others:

- Raise the Price \Rightarrow the Product must justify it (better features, premium packaging).
- Add a new Place (online store) \Rightarrow Promotion must announce it; Pricing may need an online-only discount.
- Drop Promotion (cut the ad budget) \Rightarrow Place (distribution) must compensate with point-of-sale promotion.

A coherent marketing-mix is one where all four Ps point at the same target customer.

Real-World Application

Apple's iPhone marketing-mix: a premium Product, premium Price, exclusive Place (Apple stores + authorised resellers), and high-budget aspirational Promotion. The mix would fall apart if any one P were off-brand (e.g. a sudden 70 percent discount).

4.1 Product Decisions (1st P)

- *Branding*: name, sign, symbol, design to differentiate.
- *Packaging*: protect, attract, communicate, sell.
- *Labelling*: identify, grade, describe, promote, comply with law.
- *Standardisation & grading*: uniform sizes and grades.
- *After-sales service, warranties, returns policy*.

4.1.1 Product Classification (NCERT)

(A) Consumer products – bought by final consumers for personal use.

1. *Convenience products*: bought frequently, immediately, with minimum effort (newspaper, biscuits, toothpaste, matchbox).
2. *Shopping products*: customer compares on price, quality, style before buying (clothing, footwear, furniture).
3. *Specialty products*: unique features for which buyers go out of the way (luxury cars, designer watches, antique pieces).
4. *Unsought products*: customer does not know about them or does not normally think of buying (insurance, encyclopedias).

(B) Industrial products – bought by industrial / business users as inputs to further production. Three sub-classes: *materials and parts* (raw materials, components), *capital items* (installations, equipment), *supplies and business services* (lubricants,

maintenance, consulting).

(C) Services – intangible offerings (banking, telecom, hotel, education). Four features: intangibility, inconsistency, inseparability, inventory (non-storability).

4.1.2 Brand, Brand Name, Brand Mark, Trade Mark

NCERT separates four branding terms; board questions often ask the student to distinguish.

Term	Meaning (NCERT)	Example
Brand	Name, term, sign, symbol, design or combination that identifies and differentiates one seller's products from competitors'	Bata, Parker, Lifebuoy
Brand Name	That part of the brand which can be <i>spoken</i> (verbal component)	"Maggi", "Surf"
Brand Mark	That part of the brand which can be recognised but <i>cannot be spoken</i> – symbol, design, colour scheme, lettering	Nike swoosh, McDonald's golden arches
Trade Mark	A brand (or part of brand) that has been given <i>legal protection</i> – exclusive right to the registered firm	® mark on labels

4.1.3 Three Levels of Packaging (NCERT)

1. **Primary package:** the product's immediate container (toothpaste tube, match box, plastic packet for socks). May be kept for the entire life of the product.
2. **Secondary package:** additional layers of protection retained till the product is ready for use (cardboard box around a shaving-cream tube). Disposed once use begins.
3. **Transportation package:** further packaging for storage, identification and transportation (corrugated boxes containing 10 / 20 / 100 toothpastes sent to the retailer).

4.2 Price Decisions (2nd P)

Factors affecting price:

1. **Cost** sets the *floor*: the firm cannot price below total cost long term.
2. **Utility and demand** set the *ceiling*: the buyer's perceived value.
3. **Competition** pulls the price toward rival prices.
4. **Government regulation** caps the price for essential goods (medicines, LPG, sugar).
5. **Marketing methods used:** premium packaging or premium channel allows premium pricing.

Common Mistake

Cost is the floor; *value* (utility + demand) is the ceiling. Many students reverse the two and lose 2–3 marks. The right phrasing: “*cost decides how low we can go; value decides how high we can go*”.

4.3 Place Decisions (3rd P)

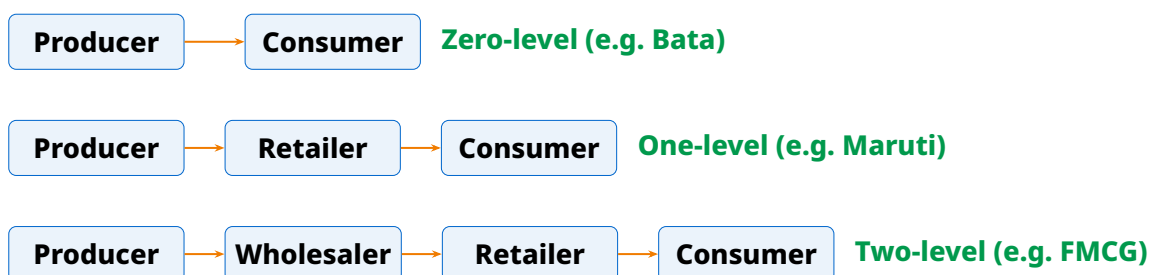
The third P, *Place* (or *physical distribution*), moves the product from producer to consumer. Two pieces: *channels of distribution* and *physical distribution activities*.

4.4 Promotion Decisions (4th P)

Communicating value to customers. Four tools form the *promotion-mix*: advertising, personal selling, sales promotion, publicity. Detailed in Section 6.

5. Channels of Distribution**Definition**

Channels of distribution are the set of firms and individuals that take title to, or assist in transferring title to, the goods or services as they move from the producer to the final consumer.

5.1 Three Common Channels (0-, 1-, 2-level)**5.2 Factors in Choice of Channel**

1. **Product factors:** nature (perishable / non-perishable), value, technical complexity, standardised vs custom.
2. **Company factors:** financial strength, desire for control.
3. **Competitive factors:** follow or differentiate.
4. **Market factors:** size, geography, quantity bought, buying habits.
5. **Environmental factors:** economic, legal, social conditions.

5.3 Physical Distribution: Four Activities

1. **Order processing** – from order receipt to despatch.
2. **Transportation** – road, rail, water, air, pipeline.
3. **Warehousing** – private vs public warehouses; creates time utility.
4. **Inventory control** – EOQ, re-order point, safety stock, ABC analysis.

Real-World Application

Amazon's edge in India is built on physical distribution, not on prices. Fulfilment centres (warehousing), inventory algorithms (inventory control), partner courier network (transportation), and one-click ordering (order processing) optimise all four pillars at once.

6. The Promotion-Mix

The **promotion-mix** is the combination of four tools that a firm uses to communicate with target customers: *advertising, personal selling, sales promotion, publicity*.

6.0 What is the Promotion-Mix?

Definition

The **promotion-mix** is the combination of promotional tools that a firm uses to achieve its communication objectives in the target market. Each tool has its own cost, reach, control and credibility profile.

The right blend of the four tools depends on three things:

- *Product type*: technical, high-value products lean on personal selling; mass-market FMCG leans on advertising.
- *Stage of product life cycle*: heavy advertising at launch (inform), heavy personal selling in growth (persuade), reminder ads in maturity, publicity throughout for credibility.
- *Buyer's readiness stage*: from *awareness* (advertising) through *conviction* (personal selling) to *purchase* (sales promotion).

6.1 The Four Tools Compared

Basis	Advertising	Personal Selling	Sales Promotion	Publicity
Paid?	Yes	Yes (salary)	Yes	Indirectly
Personal?	No (mass)	Yes (face-to-face)	Mixed	No
Sponsor known?	Yes	Yes	Yes	Often hidden
Reach	Wide	Narrow	Targeted	Wide (press)
Cost per contact	Low	High	Medium	Very low
Credibility	Low	High	Medium	Highest
Feedback	Delayed	Immediate	Quick	Indirect

6.2 Advertising: Objectives

1. **To inform** (introduction phase): build awareness.
2. **To persuade** (growth phase): out-argue competitors.
3. **To remind** (maturity phase): keep brand top-of-mind.
4. **To add value** (always): create prestige or emotional pull (Apple, Cadbury).

6.3 Personal Selling: When It Wins

- Technical products needing demonstration (cars, computers).
- High-value B2B sales with long decision cycles.
- New launches needing one-on-one explanation.
- Closing the sale when the consumer has narrowed to 2–3 options.

6.4 Sales Promotion Tools

Common sales-promotion tools include:

- Rebates, discounts, refunds.
- Free gifts, coupons, contests.
- Sweepstakes, lucky draws, exchange offers.
- Product combinations, “buy one get one free”, sample distribution.

Sales promotion *supplements* (does not replace) advertising and personal selling.

6.5 Publicity: The Free Press

Publicity is the most credible form of promotion because the message comes from a third party (news outlet, blogger, customer). The trade-off: the firm has *no con-*

control over what is said.

6.6 Public Relations: Five Functions (NCERT)

Public relations is the broader function (publicity is one of its tools) of maintaining favourable relations with the firm's various publics. NCERT lists *five* functions of the public-relations department.

1. **Publicity.** Non-personal, *unpaid* communication via news stories or media features about the firm. Two features: unpaid form of communication and no identified sponsor (the message rides as a news item).
2. **Press release.** The PR department drafts and pitches stories to the media so that the firm's news appears in a positive light. Skill in story-building and media relations is critical.
3. **Corporate communication.** Promoting the image of the organisation to public and to internal employees through newsletters, annual reports, brochures, articles, audio-visual material, executive speeches at trade fairs, TV interviews.
4. **Lobbying.** Dealing with government officials and ministers on policies relating to industry, finance, telecom, taxation. The firm seeks favourable regulation; the government seeks industry input.
5. **Counselling.** Advising management on public-facing issues and the position the firm should take. Funding causes (environment, wildlife, children's rights, education) builds goodwill.

Real-World Application

Tata Group's PR builds goodwill through cause-related contributions (Tata Trusts run hospitals, IISc, TIFR). When Tata Steel announces a CSR project on tribal education, the press coverage that follows is *publicity* (PR's first function), not paid advertising.

Memory Aid - A-P-S-P

Advertising, **P**ersonal selling, **S**ales promotion, **P**ublicity – four tools, four letters, every promotion-mix answer.

7. Labelling

Definition

Labelling is the process of designing the printed information (a label) that appears on the package. A label can be a tag attached to the product or graphic printed directly on the package.

7.1 Five Functions of a Label

1. **Describe** the product and specify its contents (brand, manufacturer, weight, batch, manufacturing date, ingredients).
2. **Identify** the product or brand (so customers spot it on a crowded shelf).
3. **Grade** the product (Grade A apples).
4. **Promote** the product (“25% extra free”, “new improved formula”).
5. **Provide information required by law** (MRP, expiry, warnings, FSSAI, ISI, AG-MARK).

Quick Tip

Pick up any FMCG pack: the label visibly does all five functions. Use this concrete example in any case-based question on labelling for full marks.

[Switch to Handwritten Notes Version](#)

8. JEE / CUET-Style Extensions

Business Studies sits outside the JEE / NEET syllabus, but Chapter 11 maps directly to **CUET (UG)** and several commerce-stream entrance exams. The notes carry an extension section with vocabulary CUET uses but the CBSE board paper does not.

8.1 CUET-Style Vocabulary

- **Product Life Cycle (PLC):** the four stages a product passes through – *Introduction, Growth, Maturity, Decline*. Advertising objective shifts at each stage (inform → persuade → remind → exit).
- **Positioning:** the place a brand occupies in the mind of the target customer.
- **Segmentation:** dividing a market into homogeneous groups (demographic, geographic, behavioural).
- **Marketing Myopia** (Theodore Levitt 1960): the mistake of defining the business in product terms instead of customer-need terms (“railways failed because they thought they were in the railway business, not the transportation business”).

8.2 Buying-Decision Process

For CUET, the five-stage buying process is often tested: *Need Recognition* → *Information Search* → *Evaluation of Alternatives* → *Purchase* → *Post-purchase Behaviour*. Marketing strategy adapts to each stage.

9. Quick Reference Summary

9.1 Marketing in One Line

A social process to obtain what one needs through creating, offering and freely exchanging value.

9.2 Ten Functions of Marketing

Market info → Planning → Designing → Standardising & Grading → Packaging & Labelling → Branding → Customer support → Pricing → Promotion → Physical distribution.

9.3 The 4 Ps

The four controllable elements of the marketing-mix:

- **P**roduct (features, quality, branding, packaging).
- **P**rice (list, discounts, credit terms).
- **P**lace (channels, transport, warehousing).
- **P**romotion (advertising, personal selling, sales promotion, publicity).

9.4 Three Channels (0-, 1-, 2-level)

Producer → Consumer; Producer → Retailer → Consumer; Producer → Wholesaler → Retailer → Consumer.

9.5 Five Pricing Factors

Cost (floor) → Demand (ceiling) → Competition → Government → Marketing-mix.

9.6 Four Tools of Promotion-Mix

The four communication tools used to reach target customers:

- **A**dvertising – paid, mass, non-personal.
- **P**ersonal selling – face-to-face, two-way, high cost per contact.
- **S**ales promotion – short-term incentives (discounts, coupons, free gifts).
- **P**ublicity – unpaid press coverage, highest credibility.

9.7 Three Mnemonics

- **4 Ps** – elements of marketing-mix.

- **A-P-S-P** – tools of promotion-mix.
- **3-bucket grouping** for marketing functions (pre-production, prepare, take to market).

Related Collegedunia Resources

Same chapter — other resources:

- [Revision Notes](#)
- [Handwritten Notes](#)
- [NCERT Book PDF](#)

Continue learning:

- [Ch 3: Business Environment](#)
- [Ch 5: Organising](#)
- [Class 12 Business Studies — All Chapters](#)