

Collegedunia NCERT Solutions

Step-by-step solutions, alternate methods & exam tips for Class 12 Business Studies

Chapter 11: Marketing

About this Chapter

Chapter 11 of Class 12 Business Studies, **Marketing**, treats marketing as a social process through which people obtain what they need and want by creating and exchanging products and services of value. The chapter covers meaning of marketing and market, features and functions of marketing, the five marketing-management philosophies (production, product, selling, marketing, societal), the marketing-mix (4 Ps: product, price, place, promotion), product classification (convenience / shopping / specialty / unsought; industrial; services), branding (brand, brand name, brand mark, trade mark), packaging (three levels), labelling, factors affecting pricing, channels of distribution, and the four tools of promotion: advertising, personal selling, sales promotion and publicity. Solutions for 2026-27 follow NCERT Reprint 2026-27.

Topics covered: Meaning of marketing and market • Features of marketing • Functions of marketing • Marketing vs selling • Marketing-mix (4 Ps) • Product mix • Pricing factors • Channels of distribution • Promotion mix

Quick Formula Sheet

Four Ps of Marketing-Mix:

Product • Price •
Place • Promotion

Four Tools of Promotion:

Advertising • Personal Selling
Sales Promotion • Publicity

Functions of Marketing:

Gathering info • Planning •
Designing & Pricing • Standardising
• Packaging • Branding
• Promotion • Storage
• Transport • Customer Service

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

Very Short Answer Type Questions

Q 11.1 What is marketing? What are its main features?

SOLUTION

Concept used. The NCERT defines **marketing** as 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. Marketing is not merely a post-production activity; it includes everything from identifying customer needs to delivering value to them.

Step 1. Needs and wants. The starting point of marketing is identifying the needs

(basic requirements) and wants (culturally shaped forms of needs) of target customers and developing products / services to satisfy them.

Step 2. Creating a market offering. A complete offer is built with a set of features (size, quality, taste), a price, an outlet of sale, and the supporting service. A good market offering is developed after analysing buyers' needs and preferences.

Step 3. Customer value. Buyers purchase a product on the basis of *value* (benefit perceived in satisfying the need) in relation to *cost* (price paid plus effort). The marketer's job is to add value so customers prefer it over competitors.

Step 4. Exchange mechanism. Marketing works through exchange: two parties, each with something of value, who can communicate and deliver.

Final Answer: Marketing is the social process of creating, offering and freely exchanging products and services of value so as to satisfy needs and wants of individuals and groups. Its main features are: *focus on needs and wants, creation of a market offering, customer value, and the exchange mechanism.*

Exam Tip

For a 3-mark VSA question: definition + name any *three* features. For a 6-mark long question, expand each feature into a paragraph with an example.

EXPERT'S SOLUTION : Aarav Sharma, M.Com, Delhi University

Quick reading. Marketing = social process to create and freely exchange value-bearing goods and services. Four features: needs/wants, market offering, customer value, exchange.

Step 1. Begin with customer needs and wants.

Step 2. Build a market offering: product + price + place + supporting service.

Step 3. Deliver value greater than cost so the customer prefers you.

Step 4. All of this happens through voluntary exchange.

Final Answer: Social process of creating, offering and exchanging value; features = needs/wants, offering, value, exchange.

Q 11.2 How does branding help in creating product differentiation? Justify with an

example.

SOLUTION

Concept used. Branding is the process of giving a name, sign, symbol, design or some combination of these to a product, so that it can be distinguished from competing products. The result is a **brand** that allows the marketer to differentiate the offering on attributes the consumer cares about.

Step 1. Identification. A brand name (e.g. Surf, Tide) gives the product an identity separate from generic competitors.

Step 2. Differentiation. A brand makes it possible to communicate distinct features (whiteness, anti-bacterial action, fragrance) which differentiate the offering.

Step 3. Customer pull. Once a brand is known and trusted, customers ask for it by name, even when generic substitutes are cheaper.

Step 4. Pricing freedom. Differentiation through branding allows the firm to charge a premium price.

Step 5. Loyalty. A satisfied customer of a brand repeats the purchase, reducing the cost of finding new customers.

Example. Two firms sell salt, both chemically NaCl. One sells it loose in 50-kg bags; the other sells it as *Tata Salt* in branded 1-kg packs. The Tata Salt buyer pays more because the brand guarantees purity, consistent iodine content, hygienic packaging and the goodwill of the House of Tata. The brand differentiates an otherwise identical product.

Final Answer: Branding differentiates a product by giving it a unique identity, communicating distinct features, building customer pull and loyalty, and earning the firm a premium price. Example: Tata Salt vs loose salt.

EXPERT'S SOLUTION : Priya Iyer, M.Com, Christ University Bangalore

Quick reading. Brand = name + promise. Differentiates a product through identity, features, pull, premium price, loyalty. Tata Salt is the canonical example.

Step 1. Give the product a name and symbol.

Step 2. Communicate distinct features via that name.

Step 3. Customers prefer the brand even at a higher price.

Final Answer: Branding differentiates through identity, features, loyalty and premium pricing (Tata Salt example).

Q 11.3 What is 'marketing-mix'? What are its main elements?**SOLUTION**

Concept used. The **marketing-mix** is the set of marketing tools that a firm uses to pursue its marketing objectives in the target market. Philip Kotler defines it as “the set of controllable marketing variables that the firm blends to produce the response it wants from the target market”. The four main elements are popularly known as the *4 Ps* of marketing.

Step 1. Product. The goods or services offered for sale. Decisions include features, quality, branding, packaging, labelling, design, variety, warranty and after-sales service.

Step 2. Price. The amount the customer must pay. Decisions include pricing objectives, price level, discounts, credit terms and price changes over the product life cycle.

Step 3. Place (physical distribution). The activities by which the product is moved from the producer to the customer. Decisions include choice of channel (direct vs indirect, number of intermediaries), transportation, warehousing and inventory.

Step 4. Promotion. The activities used to communicate with and persuade target customers to buy. The promotion-mix has four elements: advertising, personal selling, sales promotion and publicity.

Final Answer: The **marketing-mix** is the blend of controllable marketing variables a firm uses to meet its target-market objectives. Its four elements: *Product, Price, Place, Promotion*.

Mnemonic

The four elements are the **4 Ps**: *Product, Price, Place, Promotion*. Each P decomposes into a sub-mix.

EXPERT'S SOLUTION : Vivaan Mehta, M.Com, Symbiosis Pune

Quick reading. Marketing-mix = Product + Price + Place + Promotion. The 4 Ps. Each P is a controllable tool.

Step 1. Product: what is sold; features, quality, branding, packaging.

Step 2. Price: pricing objectives, level, discounts, credit.

Step 3. Place: distribution channels, transport, warehousing.

Step 4. Promotion: advertising + personal selling + sales promotion + publicity.

Final Answer: The 4 Ps: *Product, Price, Place, Promotion*.

Q 11.4 What is meant by 'Channels of Distribution'? Briefly discuss any three commonly used channels of distribution.

SOLUTION

Concept used. **Channels of distribution** are the set of firms and individuals that take title to, or assist in transferring title to, the particular goods or services as they move from the producer to the consumer. In simple terms, the channel is the path through which goods flow from manufacturer to the final buyer.

Step 1. Channel: Producer → Consumer (Direct / Zero-level). The producer sells the product directly to the consumer without any middleman. Examples: mail-order selling, company-owned retail outlets (Bata, Apple Store), direct selling (Eureka Forbes), e-commerce websites.

Step 2. Channel: Producer → Retailer → Consumer (One-level). A retailer is introduced between the producer and the consumer. Used when the producer is large (Maruti Suzuki sells via dealers); when products are technical (cars, electronics); or when retailers are organised chains (Big Bazaar, More).

Step 3. Channel: Producer → Wholesaler → Retailer → Consumer (Two-level). The most common channel for consumer non-durables (toothpaste, biscuits, soap). The wholesaler takes the bulk from the producer and breaks it down for many small retailers, who then sell to consumers in small lots.

Final Answer: **Channels of distribution** are the path through which goods move from producer to consumer. Three common channels: *Producer → Consumer* (zero-level), *Producer → Retailer → Consumer* (one-level), *Producer → Wholesaler → Retailer → Consumer* (two-level).

Exam Tip

A board-paper trick is to ask for *three* levels. Make sure each level uses one fewer / one more intermediary than the next; do not list two two-level channels.

EXPERT'S SOLUTION : Ananya Reddy, MBA Marketing, IIM Bangalore

Strategic angle. Pick three channels by counting middlemen: 0, 1, 2. Tag each with one example product so the examiner can map intent.

Step 1. Zero-level: producer → consumer (Bata, Apple, e-commerce).

Step 2. One-level: producer → retailer → consumer (Maruti dealers).

Step 3. Two-level: producer → wholesaler → retailer → consumer (FMCG).

Final Answer: Zero-, one-, two-level channels with one example each.

Q 11.5 Distinguish between Advertising and Personal Selling.

SOLUTION

Concept used. **Advertising** is a paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor. **Personal selling** is the direct, face-to-face communication between a seller and a buyer for the purpose of making a sale. Both are tools of the promotion mix, but they differ on every important dimension.

Basis	Advertising	Personal Selling
Form	Impersonal / mass communication	Personal / face-to-face (or call)
Form of message	Standardised; same message for all customers	Customised; salesperson adjusts to each customer
Reach	Wide reach over large geographic area	Limited reach; one customer at a time
Cost per contact	Low (mass media)	High (salary, commission, travel)
Flexibility	Inflexible; same ad for everyone	Highly flexible; pitch adapted on the spot
Feedback	Delayed and indirect (sales data)	Immediate and direct (customer reaction)
Direction	One-way: sponsor → audience	Two-way: seller ↔ buyer

Final Answer: Advertising is impersonal, standardised, low cost per contact, inflexible, with delayed feedback. Personal selling is personal, customised, high cost per contact, flexible, with immediate two-way feedback.

EXPERT'S SOLUTION : Rohan Kapoor, B.Com (H), Shri Ram College of Commerce

Strategic angle. Six neat point pairs. The sharpest pair: *advertising is mass and one-way; personal selling is one-on-one and two-way*. Build the rest from there.

Step 1. Form: mass vs face-to-face.

Step 2. Message: standard vs customised.

Step 3. Reach: wide vs limited.

Step 4. Cost per contact: low vs high.

Step 5. Flexibility: low vs high.

Step 6. Feedback: delayed vs immediate.

Final Answer: Mass / standard / wide / low / inflexible / delayed vs personal / custom / limited / high / flexible / immediate.

Short Answer Type Questions

Q 11.6 Explain the various functions of marketing.

SOLUTION

Concept used. **Marketing functions** are the activities of business that direct the flow of goods and services from producer to consumer. The NCERT identifies *ten* functions performed by marketers.

Step 1. Gathering and analysing market information. Continuous study of customer needs, competitors and trends so the firm can take informed decisions.

Step 2. Marketing planning. Setting marketing objectives and the strategies to achieve them (target market, positioning, marketing-mix).

Step 3. Product designing and development. Decisions on quality, size, shape, design, package, brand to match customer wants.

Step 4. Standardisation and grading. *Standardisation* produces uniform products (same dimensions, quality). *Grading* sorts products into classes (e.g. Grade A apples).

Step 5. Packaging and labelling. Designing the container and the labels. Packaging protects and promotes; labelling identifies and gives information.

Step 6. Branding. Giving the product a name, sign or symbol so it stands apart from competitors and can charge a premium.

Step 7. Customer support services. Pre-sale guidance, after-sales service, complaint handling, credit and instalment plans, technical support.

Step 8. Pricing of products. Setting the price keeping in mind cost, competitor prices and value to the customer.

Step 9. Promotion. Communicating with the target market: advertising, personal selling, sales promotion, publicity.

Step 10. Physical distribution. Moving goods from producer to consumer: channels of distribution, transportation, warehousing, inventory management.

Final Answer: The ten functions of marketing are: **gathering market information, marketing planning, product designing, standardisation & grading, packaging & labelling, branding, customer support services, pricing, promotion, physical distribution.**

♥ Why This Matters

These ten functions explain why every modern firm has a separate marketing department even though “selling” is just one of the functions. Pricing, distribution, branding, and customer service have grown into specialisations of their own.

EXPERT'S SOLUTION : *Karthik Subramaniam, MBA Marketing, IIM Calcutta*

Strategic angle. Ten functions split into three buckets: *pre-production* (info, planning, design), *product preparation* (standardisation, packaging, branding) and *post-production* (pricing, promotion, distribution, customer service).

Step 1. Pre-production: gather info, plan, design.

Step 2. Prepare the product: standardise / grade, package / label, brand.

Step 3. Take it to market: price, promote, distribute, support.

Final Answer: Ten functions across three buckets: pre-production / prepare / take to market.

Q 11.7 Distinguish between the marketing concept and the selling concept.

SOLUTION

Concept used. The **selling concept** holds that customers will not buy enough of the firm's products unless the firm makes a large-scale selling and promotional effort. The **marketing concept** holds that the key to achieving organisational goals is to determine the needs and wants of target markets and deliver the desired satisfactions more effectively than competitors.

Basis	Selling Concept	Marketing Concept
Starting point	The factory (what is produced)	The market (what customer needs)
Focus	Existing products of the firm	Customer needs and wants
Means used	Selling and promoting heavily	Integrated marketing (4 Ps)
End / Goal	Profit through sales volume	Profit through customer satisfaction
Time horizon	Short term: “sell what you have”	Long term: “make what will sell”
Approach	Inside-out (firm → customer)	Outside-in (customer → firm)

Final Answer: The **selling concept** starts in the factory and pushes existing products through heavy selling for short-term profit. The **marketing concept** starts with the customer, designs the offering around needs, and aims at long-term profit through satisfaction.

Exam Tip

Peter Drucker’s line gives the verdict: “*The aim of marketing is to make selling superfluous.*” Quote it in any 6-mark answer; worth the half-mark for “conclusion”.

EXPERT’S SOLUTION : Sneha Patel, MBA Marketing, IIM Lucknow

Strategic angle. Selling = inside-out, push existing stock. Marketing = outside-in, build what customers want. Six rows of difference fall out of this single axis.

Step 1. Start: factory vs market.

Step 2. Focus: product vs customer need.

Step 3. Means: selling push vs integrated 4 Ps.

Step 4. End: sales volume vs satisfaction.

Step 5. Horizon: short vs long.

Step 6. Direction: inside-out vs outside-in.

Final Answer: Selling = push existing stock; Marketing = pull customer-led demand.

Q 11.8 Discuss the factors affecting the price of a product.

SOLUTION

Concept used. **Pricing** is the process of determining the value the customer must exchange to obtain the product. The price decision is influenced by both *internal* factors (within the firm's control) and *external* factors (outside the firm's control). NCERT lists five factors that affect price.

Step 1. Product cost. Cost sets the floor: a firm cannot charge below total cost in the long run. Cost includes fixed costs (rent, salaries, depreciation), variable costs (raw materials, labour) and semi-variable costs.

Step 2. Utility and demand. The buyer's perception of value (utility) and demand elasticity set the ceiling. The greater the utility / less the elasticity, the higher the price the firm can charge. For inelastic demand (life-saving medicines), the firm has more pricing power.

Step 3. Extent of competition in the market. If competitors offer close substitutes, the firm has limited freedom to price above the competitor; under monopoly, the firm can price more freely.

Step 4. Government and legal regulations. The Government can declare certain products as *essential* and fix their maximum price (e.g. life-saving drugs, LPG, kerosene) or regulate price increases (cement, sugar).

Step 5. Marketing methods used. Pricing decisions depend on other elements of the marketing-mix: a unique brand + luxury packaging + premium distribution channel justifies a premium price; a no-frills offering justifies a low price.

Final Answer: Five factors affecting price: **product cost (floor), utility and demand (ceiling), extent of competition, government regulation, and the rest of the marketing-mix.**

📌 Floor and ceiling

Cost is the *floor*; value to the buyer (utility / demand) is the *ceiling*. Competition and government settle where between these two the price lands.

EXPERT'S SOLUTION : Rohan Kapoor, B.Com (H), Shri Ram College of Commerce

Strategic angle. Five factors. Two are firm-controlled (cost, marketing-mix); three are market-controlled (demand, competition, government).

Step 1. Cost: floor.

Step 2. Utility/demand: ceiling.

Step 3. Competition: pulls price toward competitor's level.

Step 4. Government: caps price for essential goods.

Step 5. Marketing-mix: premium positioning \Rightarrow premium price.

Final Answer: Cost (floor), demand (ceiling), competition, regulation, marketing-mix.

Long Answer Type Questions

Q 11.9 Explain the major activities involved in the physical distribution of products.

SOLUTION

Concept used. **Physical distribution** (logistics) is the activity that moves the product from the producer to the final consumer. It is one of the four Ps (*Place*) and is a major source of cost: physical distribution accounts for 20–30 percent of the total cost of most consumer goods in India. Four core activities make up physical distribution.

Step 1. Order processing. The cycle from receiving a customer order, checking credit / stock, generating the invoice, picking the goods from the warehouse, packing them, and despatching them. Faster, error-free order processing builds customer goodwill.

Step 2. Transportation. Moving the goods from one place to another. Choice of mode – road (flexible, door-to-door), rail (cheap for bulk), water (cheapest for very heavy / bulk, but slow), air (fastest but costliest), pipeline (oil, gas) – depends on *cost, speed, frequency, dependability, accessibility* of each mode.

Step 3. Warehousing. Storing the goods between production and consumption to even out the time-gap. Warehousing creates *time utility* (good available when needed). Two broad types: *private warehouses* (owned by the firm) and *public warehouses* (rented). Distribution centres are a specialised warehouse for fast-moving stock.

Step 4. Inventory control. Holding the right level of stock to meet customer demand without tying up too much capital. The challenge is to balance *carrying cost* of inventory against *stock-out cost*. Tools include Economic Order Quantity (EOQ), re-order point, safety stock, ABC analysis.

Final Answer: Physical distribution has four major activities: **order processing, transportation, warehousing, and inventory control**. Together they move the product from producer to consumer at the right place, time and cost.

♥ Why This Matters

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

EXPERT'S SOLUTION : *Karthik Subramaniam, MBA Marketing, IIM Calcutta*

Strategic angle. Four activities; each addresses one of: time, place, paperwork, capital tied up.

Step 1. Order processing handles the paperwork from order to despatch.

Step 2. Transportation handles the place dimension (where to where).

Step 3. Warehousing handles the time dimension (produce now, sell later).

Step 4. Inventory control handles the capital efficiency (how much to hold).

Final Answer: Order processing, transportation, warehousing, inventory control.

Q 11.10 Discuss the role of 'promotion-mix' in marketing and explain its elements.

SOLUTION

Concept used. **Promotion** is the function of informing, persuading and influencing the customer's purchase decision. The **promotion-mix** is the combination of promotional tools used by a firm to achieve its communication objectives. Four elements make up the promotion-mix: *advertising, personal selling, sales promotion and publicity*.

Step 1. Advertising. The most popular tool: *paid form of non-personal presentation of ideas, goods or services by an identified sponsor*. Mass media used include television, radio, newspapers, magazines, hoardings, digital. Wide reach but impersonal and inflexible.

Step 2. Personal Selling. *Face-to-face or one-to-one interaction between a seller and a buyer to inform and persuade the buyer to purchase a product or service*. High cost per contact but customised, two-way, with immediate feedback. Crucial for

technical and high-value products.

Step 3. Sales Promotion. *Short-term incentives designed to encourage immediate purchase or trial.* 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 (not replaces) advertising and personal selling.

Step 4. Publicity. *Non-personal, indirectly paid form of communication about an organisation or its products by an unidentified sponsor.* Usually delivered through a news story, an article, or an event covered by the media. Highly credible because the message is delivered by a third party, but not under the firm’s full control.

Final Answer: The **promotion-mix** is the blend of four tools used to communicate with target customers: *Advertising, Personal Selling, Sales Promotion, Publicity*. Each tool has its own cost, reach and credibility profile; firms combine them to fit the product and the customer.

Compare-and-contrast

Advertising = mass, paid, low cost per contact, low credibility.

Personal selling = one-on-one, high cost per contact, high credibility.

Sales promotion = short-term incentive, supplements other tools.

Publicity = unpaid, high credibility, low control.

EXPERT’S SOLUTION : Ananya Reddy, MBA Marketing, IIM Bangalore

Strategic angle. Four tools: pair them by control vs credibility. Advertising and personal selling are firm-controlled, paid. Publicity is highest credibility but uncontrolled. Sales promotion is the short-term lever you pull to push trial.

Step 1. Advertising for reach.

Step 2. Personal selling for conversion of technical / high-value customers.

Step 3. Sales promotion for short-term push (festivals, season-end).

Step 4. Publicity for credibility (press coverage, news mentions).

Final Answer: Advertising, Personal Selling, Sales Promotion, Publicity.

Q 11.11 Explain the factors determining the choice of channels of distribution.

SOLUTION

Concept used. The choice of a **channel of distribution** is one of the most critical Place decisions. The wrong channel can cripple a good product. Five sets of factors guide the choice.

Step 1. Product-related factors.

1. *Nature of product:* perishable goods (milk, vegetables) need short channels; non-perishable goods (toiletries, biscuits) tolerate long channels.
2. *Value of product:* high-value, low-volume products (jewellery, industrial equipment) need direct / short channels for safety and after-sales.
3. *Standardised vs custom products:* custom-made products are sold direct; standardised products move through intermediaries.
4. *Technical complexity:* technical products (cars, computers) need direct or short channels so technical advice can be given.

Step 2. Company-related factors.

1. *Financial strength:* a firm with strong finances can afford direct distribution (own showrooms, salesforce); weaker firms rely on intermediaries.
2. *Degree of control:* a firm that wants tight control over price, display, servicing prefers shorter channels.

Step 3. Competitive factors. If competitors use a particular channel, the firm may either follow them (same channel for shelf parity) or deliberately use a different channel for differentiation (Dell sold directly online when others sold through retailers).

Step 4. Market factors.

1. *Size of the market:* for a large, geographically dispersed market, multiple intermediary levels are needed; for a concentrated market, direct channels suffice.
2. *Geographical concentration:* concentrated markets allow direct selling; dispersed markets need wholesalers.
3. *Quantity purchased:* small purchases per buyer \Rightarrow retailers required.
4. *Buying habits:* habit of buying on credit / for trial favours retailer-led channels.

Step 5. Environmental factors. Economic conditions (recession reduces channel intensity), legal regulations (restrictions on imports / retail outlets), social considerations all affect channel choice.

Final Answer: Choice of channel depends on five factor groups: **product-related, company-related, competitive, market-related, and environmental.**

EXPERT'S SOLUTION : Sneha Patel, MBA Marketing, IIM Lucknow

Strategic angle. Five factor families. Memorise them by source: Product + Company are internal; Competition + Market are external; Environment is the macro layer.

Step 1. Product: nature, value, complexity, standardisation.

Step 2. Company: financial strength, desire for control.

Step 3. Competition: follow them or differentiate.

Step 4. Market: size, geography, quantity, buying habits.

Step 5. Environment: economic / legal / social conditions.

Final Answer: Product, Company, Competition, Market, Environment.

Q 11.12 Briefly explain the functions of labelling in the marketing of goods.

SOLUTION

Concept used. **Labelling** is the process of designing a label (the printed information that appears on the package). A label may be a simple tag attached to the product or an elaborately designed graphic. Labels perform five major functions in marketing.

Step 1. Describe the product and specify its contents. The label identifies the brand, names the manufacturer, gives the price, batch number, manufacturing date, weight, and list of ingredients.

Step 2. Identification of the product or brand. The label helps the customer recognise the product from a crowded shelf. Colour combinations, brand mark and graphics on the label make the product instantly recognisable.

Step 3. Grading of the products. Many products are graded into categories (apples Grade A vs B) and the label communicates the grade.

Step 4. Helps in promotion of products. A well-designed label is itself a promotional tool: “new improved formula”, “25% extra free”, “20% off” on the label promotes the product at the point of purchase.

Step 5. Provides information required by law. Statutory information like the maximum retail price (MRP), expiry date, warning (“cigarette smoking is injurious to health”), FSSAI certification, ISI / AGMARK mark, and country of origin must appear on the label.

Final Answer: Labelling performs five functions: **describes & specifies contents, identifies the product / brand, grades, helps promote, and provides legally mandated information.**

EXPERT'S SOLUTION : Vivaan Mehta, M.Com, Symbiosis Pune

Strategic angle. Five functions. Read off the label of any FMCG pack and they all show up: brand, ingredients, grade (if any), promotion banner, statutory disclosure.

Step 1. Describe and list contents.

Step 2. Identify the brand.

Step 3. Grade the product.

Step 4. Promote (“25% free”, “new”).

Step 5. Carry statutory information (MRP, expiry, warnings).

Final Answer: Describe, identify, grade, promote, comply with law.

Q 11.13 Discuss the role of intermediaries in the distribution of consumer non-durable products.

SOLUTION

Concept used. **Marketing intermediaries** are firms or individuals that help the producer reach the final consumer. For *consumer non-durable* products (FMCG: soap, biscuits, toothpaste), the distribution chain is typically *Producer* → *Wholesaler* → *Retailer* → *Consumer*. Intermediaries play several specific roles in this chain.

Step 1. Sorting. Intermediaries buy heterogeneous supplies from many producers and sort them into homogeneous groups based on size, quality or grade.

Step 2. Accumulation. They build up an assortment of products from various sources to offer a wider variety to the next level (retailer).

Step 3. Allocation / Breaking bulk. The wholesaler buys in large quantities from the producer (say 100 cartons of soap) and breaks the lot into smaller quantities for many retailers (5 cartons each). The retailer further breaks the carton into individual cakes for end-consumers.

Step 4. Assorting. Building a wide assortment of products from many producers so that the retailer can serve all the daily-needs of the consumer from one shop.

Step 5. Product Promotion. Intermediaries help promote the product through point-of-sale display, in-store demonstrations, dealer schemes.

Step 6. Negotiation. Channel members negotiate terms (price, credit, returns) with both upstream and downstream parties.

Step 7. Risk taking. Intermediaries take on *ownership risk* (price changes, spoilage, theft, fashion changes) as they hold the product between producer and consumer.

Final Answer: For consumer non-durables, intermediaries play seven roles: **sorting, accumulation, allocation / breaking bulk, assorting, promotion, negotiation, and risk taking.**

♥ Why This Matters

The retail industry employs millions of small shopkeepers (kirana stores) and many large chains (More, DMart, Big Bazaar). Their existence is explained by the seven functions in this answer: producers cannot economically perform all of these themselves for hundreds of millions of consumers.

EXPERT'S SOLUTION : Aarav Sharma, M.Com, Delhi University

Strategic angle. Seven roles. Group them: three move the product (sorting, accumulation, allocation), two market it (assorting, promotion), two manage relationships (negotiation, risk).

Step 1. Move the product: sort, accumulate, break bulk.

Step 2. Market it: assort, promote.

Step 3. Manage relationships: negotiate, take risk.

Final Answer: Sorting, accumulation, allocation, assorting, promotion, negotiation, risk.

Q 11.14 Explain the major objectives of advertising.

SOLUTION

Concept used. **Advertising** is a paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor. Firms invest in advertising to

achieve specific marketing objectives. The four major objectives are: *to inform, to persuade, to remind, and to add value.*

Step 1. To inform. Advertising tells the customer about the existence of the product, its features, price, place of availability, and how to use it. Informative advertising is important in the introduction phase of the product life cycle (new launches, category-creating products like electric scooters).

Step 2. To persuade. Once the customer knows the product, advertising tries to *persuade* them to buy it instead of competing brands. Persuasive advertising compares the product to rivals on attributes like price, quality, longevity, status. Common in the growth and maturity phases of the product life cycle.

Step 3. To remind. For mature, well-known brands, the goal is to keep the brand *top-of-mind* so customers do not forget. “Yeh Dil Maange More” (Pepsi) or “The complete man” (Raymond) reminder ads sustain recall.

Step 4. To add value. Strong advertising can itself become part of the value the consumer perceives: a premium tag (Apple, Mercedes-Benz) adds prestige; a feel-good association (Cadbury’s “Kuchh meetha ho jaye”) adds emotional value.

Step 5. Other supporting objectives. Advertising also helps to launch new products, expand the market, fight competition, build company image, support the sales force, and announce a special promotion.

Final Answer: The four major objectives of advertising are: **to inform, to persuade, to remind, and to add value.** Supporting objectives include launching new products, expanding the market, fighting competition and building company image.

EXPERT’S SOLUTION : Priya Iyer, M.Com, Christ University Bangalore

Strategic angle. Four objectives mapped to the product life cycle. Inform at launch; persuade in growth; remind at maturity; add value all the way.

Step 1. Introduction ⇒ inform.

Step 2. Growth ⇒ persuade.

Step 3. Maturity ⇒ remind.

Step 4. Throughout ⇒ add value.

Final Answer: Inform, Persuade, Remind, Add Value.

Key Takeaways

- **Marketing** is the social process of creating, offering and freely exchanging value-bearing products. Its four features: needs / wants, market offering, customer value, and exchange.
- Ten **marketing functions**: gathering market information, marketing planning, product designing, standardisation & grading, packaging & labelling, branding, customer support services, pricing, promotion, physical distribution.
- **Marketing concept** starts with customer needs and aims at long-term satisfaction; the **selling concept** starts in the factory and pushes existing products for short-term profit.
- **Marketing-mix** has four elements: the **4 Ps – Product, Price, Place, Promotion**.
- Five factors affecting **price**: cost (floor), utility / demand (ceiling), competition, government regulation, marketing-mix.
- Three common **channels of distribution**: zero-level (producer → consumer), one-level (producer → retailer → consumer), two-level (producer → wholesaler → retailer → consumer).
- Four major **physical distribution** activities: order processing, transportation, warehousing, inventory control.
- **Promotion-mix** has four tools: advertising, personal selling, sales promotion, publicity. Advertising informs, persuades, reminds and adds value.
- **Labelling** performs five functions: describe contents, identify brand, grade, promote, comply with law.

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