

PRINCIPLES OF MARKETING – DETAILED ANSWERS

I Semester B.Com – December/January 2025/26

Paper: 1.2

SECTION A – Detailed Answers

Q. Define Marketing.

Answer:

Marketing is the process of identifying, anticipating and satisfying customer needs and wants in a profitable manner. It involves understanding customer requirements, developing suitable products, pricing them appropriately, promoting them effectively and making them available at the right place and time. The ultimate objective of marketing is customer satisfaction and long-term relationship building.

Q. What is Marketing Environment?

Answer:

Marketing environment refers to all internal and external forces that influence a company's marketing decisions. It consists of:

1. Micro Environment – Customers, competitors, suppliers, intermediaries and the company itself.
2. Macro Environment – Economic, political, legal, social, cultural, technological and demographic factors.

These factors affect demand, pricing, promotion and overall marketing strategies.

Q. What is Market Segmentation?

Answer:

Market segmentation is the process of dividing a large heterogeneous market into smaller homogeneous groups of consumers who have similar needs, characteristics or buying behaviour. It helps firms target specific customer groups effectively and design suitable marketing strategies for each segment.

Q. What do you mean by Marketing Mix?

Answer:

Marketing mix refers to the combination of four controllable elements known as the 4Ps:

1. Product – The goods or services offered.
2. Price – The amount charged from customers.
3. Place – Distribution channels used.
4. Promotion – Communication methods used to inform customers.

These elements work together to achieve marketing objectives.

Q. What is Sales Promotion?

Answer:

Sales promotion consists of short- term incentives designed to encourage immediate purchase. Examples include discounts, coupons, free samples, contests and cash - back offers. It helps boost sales quickly and attract new customers.

Q. What is Cost Plus Pricing?

Answer:

Cost Plus Pricing is a pricing method in which a fixed percentage of profit is added to the total cost of production to determine the selling price. This method ensures that all costs are covered and a reasonable profit is earned.

Q. What is Green Marketing?

Answer:

Green marketing refers to marketing environmentally friendly products and adopting eco- friendly production, packaging and promotional practices. It focuses on sustainability and reducing environmental impact.

Q. Define Advertising.

Answer:

Advertising is a paid, non- personal form of communication through mass media such as television, newspapers and digital platforms to promote products or services. It aims at informing, persuading and reminding customers.

SECTION B – Detailed Explanations

Q. Explain the Concepts of Marketing.

Answer:

The evolution of marketing concepts includes:

1. Production Concept:

This concept assumes that consumers prefer products that are widely available and affordable. Therefore, firms focus on large-scale production and cost reduction.

2. Product Concept:

It believes that consumers prefer products with superior quality and features. Companies focus on product improvement and innovation.

3. Selling Concept:

This concept emphasizes aggressive selling and promotional efforts to increase sales.

4. Marketing Concept:

It focuses on identifying customer needs and delivering satisfaction better than competitors.

5. Societal Marketing Concept:

It balances company profits, customer satisfaction and social welfare.

Q. Write a note on characteristics of a successful salesperson.

Answer:

A successful salesperson possesses the following qualities:

1. Good Communication Skills – Ability to explain product benefits clearly.
2. Product Knowledge – Complete understanding of product features and advantages.
3. Confidence – Builds trust among customers.
4. Persuasion Ability – Convincing customers effectively.
5. Patience – Handling objections calmly.
6. Customer Orientation – Focus on satisfying customer needs.

Q. Explain the requisites of sound market segmentation.

Answer:

For effective segmentation, the segments must be:

1. Measurable – Size and purchasing power can be measured.
2. Accessible – Easily reachable through distribution and promotion.

3. Substantial – Large enough to be profitable.
4. Differentiable – Clearly distinguishable from other segments.
5. Actionable – Company must be able to design effective programs.

Q. Mention any five reasons for failure of a new product.

Answer:

1. Lack of proper market research.
2. High pricing.
3. Poor product quality.
4. Ineffective promotion.
5. Strong competition.
6. Wrong timing of launch.

Q. Explain the objectives of pricing.

Answer:

1. Profit Maximization – Earn maximum return.
2. Market Share Growth – Increase customer base.
3. Survival – Sustain in competitive markets.
4. Price Stability – Avoid price wars.
5. Return on Investment – Achieve target returns.

Q. List out promotional schemes of a company.

Answer:

Common promotional schemes include:

1. Discounts and price reductions.
2. Coupons and vouchers.
3. Free samples and gifts.
4. Contests and lucky draws.
5. Loyalty programs.
6. Trade fairs and exhibitions.

SECTION C – Long Answer Questions

Q. Explain the various approaches to the study of marketing.

Answer:

The study of marketing can be approached in different ways:

1. Commodity Approach:

This approach studies marketing based on specific products such as rice, textiles or automobiles.

2. Functional Approach:

It focuses on various marketing functions like buying, selling, transportation, storage, financing and risk bearing.

3. Institutional Approach:

This approach studies different institutions involved in marketing such as wholesalers, retailers and agents.

4. Managerial Approach:

It emphasizes decision-making and problem-solving aspects of marketing.

5. Systems Approach:

Marketing is viewed as a system of interrelated components working together.

6. Societal Approach:

Focuses on the impact of marketing on society and ethical responsibilities.

These approaches help in understanding marketing from different perspectives.

Q. Explain the basis of market segmentation.

Answer:

Market segmentation can be done on the following bases:

1. Geographic Segmentation – Based on region, climate or location.

2. Demographic Segmentation – Based on age, gender, income and education.

3. Psychographic Segmentation – Based on lifestyle, personality and values.

4. Behavioral Segmentation – Based on usage rate, loyalty and buying behavior.

This helps firms target specific customer groups effectively.

Q. Explain Macro environmental factors affecting marketing decisions.

Answer:

Macro environmental factors include:

1. Economic Factors – Income, inflation, employment.
2. Political Factors – Government policies and stability.
3. Legal Factors – Consumer protection and business laws.
4. Technological Factors – Innovation and digital transformation.
5. Social & Cultural Factors – Values and traditions.
6. Demographic Factors – Population size and structure.

These factors influence demand and marketing strategies.

Q. What is Product Life Cycle? Explain its stages.

Answer:

Product Life Cycle (PLC) describes the life of a product from introduction to decline.

1. Introduction – Low sales, high promotion cost.
2. Growth – Rapid sales increase and rising profits.
3. Maturity – Sales stabilize and competition increases.
4. Decline – Sales and profits decrease.

Companies adopt different marketing strategies at each stage.

Q. What are channels of distribution? Explain types.

Answer:

Channels of distribution are the paths through which goods move from producer to consumer.

1. Direct Channel – Producer to Consumer.
2. Indirect Channel – Through intermediaries:
 - a) Producer → Retailer → Consumer
 - b) Producer → Wholesaler → Retailer → Consumer

They perform functions such as transportation, storage, financing and risk bearing.

SECTION D – Application Question

Q. Design a logo and tagline for an imaginary product.

Answer:

Product Name: EcoSip (Reusable Water Bottle)

Logo Idea: A green leaf shaped like a water drop, symbolizing purity and sustainability.

Tagline: 'Refresh Naturally. Live Sustainably.'

This design highlights environmental awareness and healthy living.