

# Marketing Mix, Product Mix & Price Mix

## 1 Mark Questions

**1. State the meaning of product identification function of packaging. (All India 2013)**

**Ans.** In recent years due to increasing competition and growing use of open display and self-service of goods, the need of packaging has arisen. It helps in identifying the product by indicating its nature and content, e.g. a customer can easily identify Ponds cream with its unique jar.

**2. What is the advantage of registering trademark? (All India 2013)**

**Ans.** The firm which got its brand registered, gets the exclusive right for its use. In that case, no other firm can use such name or mark in the country.

## 3 Mark Questions

**3. Crackers Ltd, a fire-cracker manufacturing company launched some new products on the eve of Diwali in the market, which attracted many buyers. To meet the increased demand the company employed children from nearby villages. Although the products were in great demand, appropriate safety warnings for use were not mentioned on the labels, which led to many accidents.**

**Ans.** (i) Identify and explain the important product related decision that was not taken into consideration by the company.

(ii) Also, state any two values which were violated by the company. (Compartment 2014) (/' An important product-related decision not taken into consideration by the company is labelling'. It refers to designing and developing the label to be put on the package. A label is a carrier of information. It may be a simple tag or a complex graphic stating the contents, price, quantity, expiry date etc of the product.

(ii) The two values ignored by the company are:

(a) Child labour and their exploitation .

(b) Consumer protection and safeguarding their interest.

**4. 'Though branding adds to the cost, it provides several advantages to the consumers'. In the light of the statement, state any three advantages of branding to customers. (Delhi 2013)**

**Ans.** The three advantages of branding to customers are as follows:

(i) Product identification Branding helps the customers in identifying the product, e.g. a customer, who is satisfied with 'Lux' soap need not buy any other product. Thus, branding facilitates repetitive purchase and reduces the time and efforts involved therein.

(ii) Ensures quality Branding ensures a specific level of quality to customers. This builds



up confidence of customers and increases their level of satisfaction. Branded products are well packed to prevent adulteration.

(iii) Status symbol Some brands become status symbols due to their quality. The consumers of these brands feel proud and enjoy status by using them.

**5. Packaging has acquired great significance in the marketing of goods. In the light of this statement, state any three functions of packaging. (Delhi 2013)**  
**or**  
**Explain any three functions of packaging. (Delhi 2008)**

**Ans.** Packaging refers to the act of designing and producing the container or wrapper of a product. The three main functions of packaging are as follows: (Any three)

(i) Product identification Packaging helps a product to be easily identified by the customer, e.g. Maggi noodles in yellow colour, Lays in blue, green and red colour can be identified easily.

(ii) Product protection Packaging protects the contents of a product from spoilage, breakage, leakage, damage, etc. e.g. air tight containers and packets are used for biscuits, tea, etc.

(iii) Product promotion Packaging promotes the sales of the product. Package is the buyer's first encounter with the product and is capable in turning the buyer on or off. The colourful attractive packing of the product attracts the customers to buy it e.g. Ferrero Rocher chocolates, Calcium Sandoz, etc.

(iv) Facilitating use of product The size and shape of the package should be such that it should be convenient to open, handle and use for the consumers, e.g. toothpastes, face wash, etc.

**6. Explain any three elements of marketing mix. (Delhi 2010,2008C)**

**Ans.** Marketing mix refers to the combination of four basic elements known as four P's- product, price, promotion and physical distribution. The various components of marketing mix are: (Any three)

(i) Product mix The product mix refers to important decisions related to the products. Product mix involves product planning and development. Decisions are to be taken regarding product, range, quality, size, features, packaging, after sale services, branding, warranties etc. Production must satisfy consumer needs and expectations. These decisions play an important role in attracting the customers to the product.

(ii) Price mix It refers to important decisions related to price levels, pricing strategy and price policies of an organisation.

Price is the money paid by a buyer (or received by a seller) in consideration of the

purchase of a product or a service. It plays an important role in the marketing of goods. It is often used as a regulator of product's demand and act as effective tool during stiff competition. Price affects the revenue and profits of a firm. .

(iii) Promotion mix It refers to informing the customers about the product and persuading them to purchase these products. This job is done by the company through the medium of advertisement, personal selling, sales promotion and public relations. Decisions with regard to all these factors directly influence the sale of the product.

(iv) Place mix (Physical distribution) It includes decisions about channels of distribution, means of transportation, warehousing, inventory control, etc. Place mix is concerned with linking the sellers and buyers. The choice of channels of distribution depends on nature of product, competition, willingness of middle men and producer's financial resources.

### **7. Explain the three major categories into which the industrial products can be Classified. (All India 2010)**

**Ans.** Industrial products can be classified into the following major categories:

(i) Materials and parts These include goods that enter the manufacture's products completely. Such goods are of two types:

- Raw materials
- Manufactured materials and parts

(ii) Capital items These are long-lasting goods that facilitate developing or managing the finished products. These include:

- Installations
- Equipments

(iii) Supplies and business services These are short lasting goods and services that facilitate developing or managing the finished products. These include:

- Maintenance and repair items like paint, etc.
- Operating supplies like lubricant, writing paper, etc.

**8.'Demand for wood will be derived from demand for furniture and other wooden items in the market.' This is an example stating the characteristic of one of the categories of products. Name the category and state two other characteristic of this category of products.(All India 2009 c)**  
or

**'Demand for leather will be derived from demand for leather purses and other leather items in the market'. This is an example stating the characteristic of one of the categories of products. Name the category and state two other characteristics of this category of products. (Hots; All India 2008 C)**



**Ans.** Industrial products. The two main characteristics of industrial products are:  
(i) Few buyers Buyers of industrial products are limited as compared to consumer products, e.g. buyers of sugarcane are few as compared to buyers of sugar.  
(ii) Complex products These products are complex. Therefore, technical consideration assumes greater significance in their purchase decision.

**9. Explain any three advantages of labelling. (Delhi 2008)**

**or**

**Explain any three functions of labelling.(Delhi 2008)**

**Ans.** Labelling facilitates the marketing of products and satisfy various legal requirements.

Advantages/ functions of labelling are: (Any three)

(i) **Identification of product/brand** It helps in identifying the product or brand, e.g. the name stamped on a cold drink identifies it as Pepsi, Coke, Fanta, etc.

(ii) **Helps in promotion of products** A carefully designed label can attract attention and give reason to purchase. Labels play an important role in sales promotional schemes launched by companies, e.g. the label on the package of a shaving cream mentions '40% extra free' or package of a toothpaste mentioning, 'free tooth brush inside or save Rs 15'.

(iii) **Providing information required by law** Labelling provides information required by law e.g. the statutory warning on the package of cigarette 'Smoking is injurious to health'.

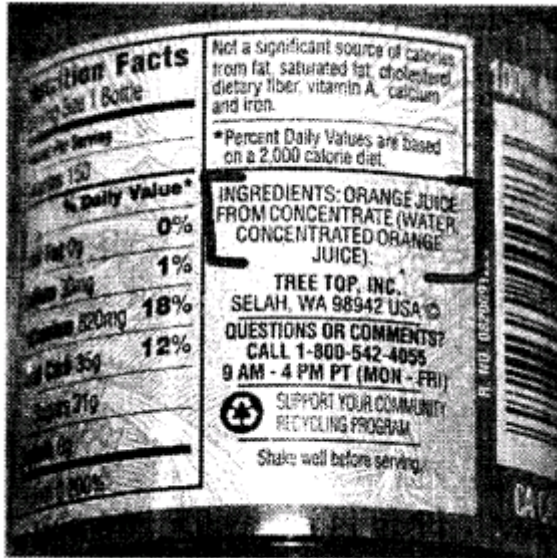
(iv) **Grading of products** It also helps in grading the products into different categories. Different types of tea is sold by same brand under the category of yellow, red and green label.

**10. Explain any three merits or qualities of packaging.(All India 2008)**

**Ans.** Following are the three main merits of packaging of a consumer product

(i) Rising standards of health and sanitation As the people are becoming health conscious, they like to buy packed goods. The reason is that the chances of adulteration in such goods are minimised.

(ii) Self-service outlets Now-a-days self-service retail shops are becoming very popular, particularly in big cities because of the role assigned to sales assistant for promotion.



### 11. Explain any three advantages of branding to the marketer. (Delhi 2008)

**Ans.** The three main advantages of branding to the marketer are as follows:

- (i) **Product differentiation** Branding helps to give a separate identity to the product. This enables the firm to secure and control the market for its product.
- (ii) **Helps in advertising and display programmes** A brand aids a firm in its advertising and display programmes. Without a brand name, the advertiser can only be aware of the generic product and can never be sure of the sale of his product.
- (iii) **Differential pricing** Branding enables a firm to charge different price for its products than that charged by its competitors. This is possible because if customer likes a brand and becomes habitual of it, they do not mind paying a little higher for it.

### 12. Explain any three qualities of a good brand name. (All India 2008)

**Ans.** Qualities of a good brand name are:

- (i) **Suggestive** A brand name should suggest something about a product's benefits, its use, quality, product's nature, purpose, performance or action.  
e.g. Lijjat papad, Clean and Clear face wash, Amul milk etc.
- (ii) **Short and Easy** The name should be short, simple, easy to pronounce, to spell, recognise and remember e.g. VIP, Rin, Vim, NIP, etc.
- (iii) **Distinct** A brand name should be distinctive, e.g. Liril, Sprite, Safari, Zodiac, etc.

**13. Differentiate between the concepts of 'packaging' and 'labelling'. (All India 2008 C)**

**Ans.** Labelling It refers to the process of designing and creating a label for a product. A label is an important feature of a product as it provides useful information about the product and its producer. The label may be simple tag attached to the product or an elaborately designed graphic that is a part of the packages. It is used to communicate the brand, grade or other information about the product. Finally, the label might promote the product through its attractive graphics.

Packaging It may be defined as an act of designing and producing the wrapper or container for a product. It is concerned with putting the goods in bottles, boxes, containers, cans, bags, etc. of such convenient size as which provides protection against spoilage, breakage, leakage and pilferage and can easily be handled by buyers. Keeping in mind the needs of wholesalers as well as retailers in today's marketing system, the importance of packaging has increased considerably because of high competition and rise in the standard of living of people. Therefore, a good packages should be convenient, attractive, safe and economical. Packaging provides useful information about the product. It helps in identification of products and their manufacturers.

**4/5 Marks Questions.**

**14. State any five functions of labelling (Compartment 2014)**

or

**What is meant by labelling? State any four functions of labelling. (All India 2011, 2009; Delhi 2010, 2009 C)**

**Ans.** Labelling Label may be a simple tag attached to the product (in case of local unbranded products) to complex graphics that are part of the package (like in branded products). Labels are useful in providing detailed information about the product like its content, method of use, etc.

**Functions of labelling** Labelling facilitates the marketing of products and satisfy various legal requirements.

Advantages/ functions of labelling are: (Any three)

(i) **Identification of product/brand** It helps in identifying the product or brand, e.g. the name stamped on a cold drink identifies it as Pepsi, Coke, Fanta, etc.

(ii) **Helps in promotion of products** A carefully designed label can attract attention and give reason to purchase. Labels play an important role in sales promotional schemes launched by companies, e.g. the label on the package of a shaving cream mentions '40% extra free' or package of a toothpaste mentioning, 'free tooth brush inside or save Rs 15'.

(iii) **Providing information required by law** Labelling provides information required by





law e.g. the statutory warning on the package of cigarette 'Smoking is injurious to health'.

(iv) **Grading of products** It also helps in grading the products into different categories. Different types of tea is sold by same brand under the category of yellow, red and green label.

**15. What is meant by packaging? State any four functions of packaging?(All India 2011; Delhi 2011)**

**Ans.** Packaging refers to the act of designing and producing the container or wrapper of a product. It is concerned with the determination of convenient size in which the product is to be put in the market and the creation of proper packages for different sizes in order to avoid spoilage leakage breakage and pilferage of the product.

**Functions of Packaging** Packaging refers to the act of designing and producing the container or wrapper of a product.

The three main functions of packaging are as follows: (Any three)

(i) **Product identification** Packaging helps a product to be easily identified by the customer, e.g. Maggi noodles in yellow colour, Lays in blue, green and red colour can be identified easily.

(ii) **Product protection** Packaging protects the contents of a product from spoilage, breakage, leakage, damage, etc. e.g. air tight containers and packets are used for biscuits, tea, etc.

(iii) **Product promotion** Packaging promotes the sales of the product. Package is the buyer's first encounter with the product and is capable in turning the buyer on or off. The colourful attractive packing of the product attracts the customers to buy it e.g. Ferrero Rocher chocolates, Calcium Sandoz, etc.

(iv) **Facilitating use of product** The size and shape of the package should be such that it should be convenient to open, handle and use for the consumers, e.g. toothpastes, face wash, etc.

**16. Give the meaning of 'price' as an element of 'marketing mix'. State any three factors which affect the price determination of a product. (Delhi 2011 c)**

**Ans.** Price may be defined as the amount of money paid by a buyer in consideration of the purchase of a product or a service. Pricing involves determination of price of the product. Pricing plays an important role in the marketing of goods and services. It is often used as a regulatory of product's demand. Pricing also affects the revenue and profits of a firm.

The three factors which affect the price determination of a product are as follows: (Any three)

(i) **Objective of pricing** Firms may include profit maximisation, obtaining market share leadership, surviving in a competitive market and attaining product quality leadership.

(ii) **Cost** Price charged must enable the businessman to cover his cost including a reasonable margin of profit.

(iii) **Competition** It is necessary to take into consideration prices of the products of the competing firms prior to fixing the price. In case of cut-throat competition, it is desirable to keep the price low.

(iv) **Demand for product** Intensive study of demand for products and services in the market should be undertaken before price fixation. If demand is relatively more than supply, higher price can be fixed.

**17. 'An important task in the marketing of goods relates to designing the label as it provides useful and detailed information about the product.' In the light of the above statement, draw a label for a packet of juice and highlight the important information to be provided on it. (hots; ah India 2010)**

**Ans.** A simple looking but important task in the marketing of goods relates to designing the label to be put on the package. The label may vary from a simple tag attached to the product to complex graphics containing essential information such as price, quantity, expiry date, etc.

### **Label for the Packet of Juice**

#### **(i) Describe the Product and Specify its Contents**

- Orange Juice with extra calcium and low fat. It gives you extra energy.
- Contains sugar, orange, no added flavour, etc.

#### **(ii) Identification of Product or Brand**

- Helps to identify from other brand.
- Real orange juice.
- Real manufacturer-Jaipur or Delhi.
- Net weight 150 ml, 250 ml, 500 ml, etc.
- Retail price Rs 15, 20, 30, etc.
- Batch no XYZ

#### **(iii) Grading of Product**

- Real orange juice for women, children and old people.

#### **(iv) Helps in Promotion of Product**





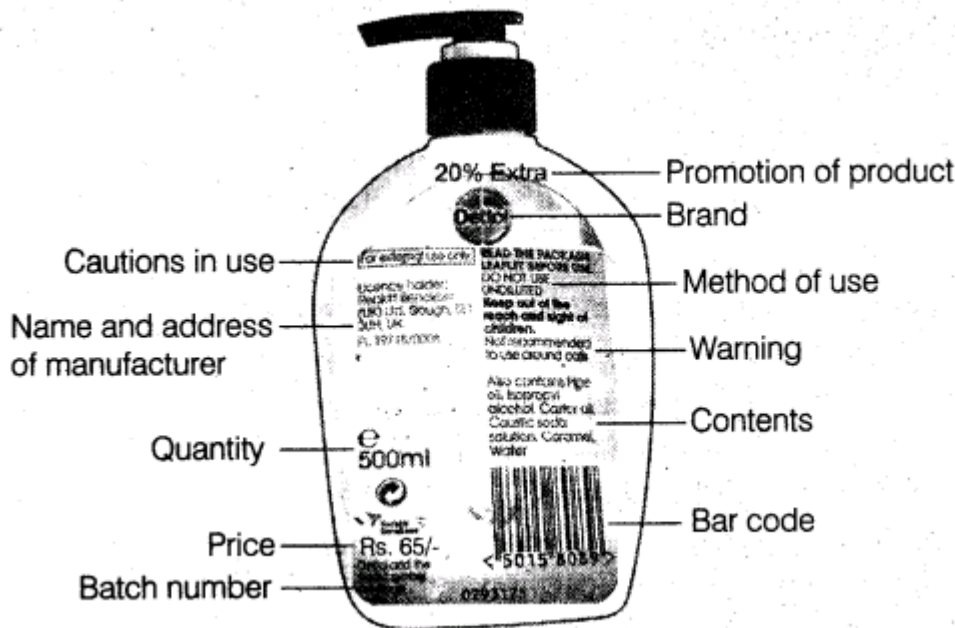
- Real juice piyo khushiya manao.
- 40% extra with 1 litre pack.

(v) Providing information required by law

- Best before six months from the date of manufacturing.

**18. 'An important task in the marketing of goods relates to designing the label as it provides useful and detailed information about the product'. In the light of the above statement, draw a label for a liquid soap and highlight the important information to be provided on it. (Delhi 2010)**

**Ans.** A label contains essential information about a product. Therefore, following are the important information to be provided on the label of liquid soap.



**19. Some products have certain unique features. They attract a significant groups of buyers. Identify the kind of product and list its features. (Delhi 2008)**

**Ans.** Such products are known as 'speciality products'.

The features of speciality product are as follows:

- The demand for speciality product is limited as relatively small number of people buy these products.
- These products are generally costly and their unit price is very high.
- These products are available for sale at few places as the number of customers is small and are willing to take extra efforts to purchase these products.
- Special promotional efforts are required for the sale of such products.
- After sales services are very important for many of the speciality products.

## 6 Marks Questions

**20. There are a number of factors that affect the fixation of price of a product. State any five such factors. (Compartment 2014)**

or

**Explain any four factors, which affect the determination of the price of a product. (Delhi 2013)**

or

**‘Pricing of a product is an important and effective competitive weapon in marketing, which depends upon various factors’. Explain any three such factors. (All India 2013)**

or

**‘Price of a product is influenced by many factors.’ Explain any five factors influencing pricing. (Delhi 2010)**

or

**You are a toothpaste manufacturer and you have introduced a new brand toothpaste in the market. How will you determine the price of your product? Explain by giving any three points. (Hots; All India 2010)**

or

**Name that element of marketing mix which affects the revenue and profits of a firm. Explain any six factors which help in determining this element. (HOTS; Delhi 2010; All India 2010)**

**Ans.** Pricing of a product is influenced by many factors. Some of them are as follows:

(i) Pricing objective Firms may include profit maximisation, obtaining market share leadership, surviving in a competitive market and attaining product quality leadership. While deciding upon the price of a product a firm has to see, which of the above mentioned pricing objective, it would consider and fixes the price of its product accordingly.

(ii) Product cost It includes the cost of procuring, distributing and selling the product. It is important that the price should recover Total Costs (Fixed Costs + Variable Costs) in the long-run including a profit margin over and above the costs.

(iii) Extent of competition in the market Competition is another important consideration while pricing a product. Under monopoly situation, a firm can enjoy complete freedom in fixing the price of its product. But in case of intense competition, a firm should fix lower price of its product to capture a large market share.

(iv) Government and legal regulations In order to protect the interest of public against unfair practices, government fixes the price of essential commodities, e.g. medicines, petrol, sugar, etc. A firm should not charge a higher price, otherwise it would invite government action.

(v) Demand and supply conditions whether the price of the product should be high or low, depend on the demand and supply conditions.



(vi) Marketing method use The price of the product also gets affected by the methods of marketing used by a firm to promote the products. If a firm is using intensive advertising to promote the sale of a product then it will charge a higher price for it.

## 21. Explain the four important elements of marketing mix. (Compartment 2014)

**Ans. Elements of marketing mix** Marketing mix refers to the combination of four basic elements known as four P's-product, price, promotion and physical distribution. The various components of marketing mix are: (Any three)

(i) **Product mix** The product mix refers to important decisions related to the products. Product mix involves product planning and development. Decisions are to be taken regarding product, range, quality, size, features, packaging, after sale services, branding, warranties etc. Production must satisfy consumer needs and expectations. These decisions play an important role in attracting the customers to the product.

(ii) **Price mix** It refers to important decisions related to price levels, pricing strategy and price policies of an organisation.

Price is the money paid by a buyer (or received by a seller) in consideration of the purchase of a product or a service. It plays an important role in the marketing of goods. It is often used as a regulator of product's demand and act as effective tool during stiff competition. Price affects the revenue and profits of a firm. .

(iii)**Promotion mix** It refers to informing the customers about the product and persuading them to purchase these products. This job is done by the company through the medium of advertisement, personal selling, sales promotion and public relations. Decisions with regard to all these factors directly influence the sale of the product.

(iv) **Place mix** (Physical distribution) It includes decisions about channels of distribution, means of transportation, warehousing, inventory control, etc. Place mix is concerned with linking the sellers and buyers. The choice of channels of distribution depends on nature of product, competition, willingness of middle men and producer's financial resources.

## 22. Consumer products are classified on different basis.'Shopping efforts involved 'is !

**One of them. Explain any three types of products in this category. (Delhi 2012)**

**Ans.** Consumer products classified on the basis of 'shopping efforts involved' are as follows :

(i) **Convenience products** Those consumer products which are purchased frequently, immediately and with least time and efforts are known as convenience goods, e.g. cigarettes, ice-creams , medicines, newspaper, etc. These products have low unit value have a regular demand and are bought in small quantities.



(ii) **Shopping products** These are those consumer goods in the purchasing of which buyers devote considerable time, to compare the quality, price, style, suitability, etc at several stores before making the final purchase, e.g. clothes, shoes, jewellery, furniture, radio, television etc.

(iii) **Speciality products** These products are those consumer goods which have certain special features because of which people make special efforts in their purchase. These products are of high value and manufactured by reputed firms. For such products, the buyers have brand preference and insistence. Hence, the consumer may wait or suffer inconveniences to get the desired goods, e.g. art and artifacts, Rolex watches, etc.

**23. Consumer products are classified on different basis, 'durability of the product' is one of them. Explain any three types of products in this category. (All India 2012)**

**Ans.** On the basis of durability of products, consumer products are classified as follows:

(i) **Non-durable products** The consumer products which are normally consumed in one or few uses are called non-durable products, e.g. toothpaste, detergents, bathing soap and stationery products, etc.

(ii) **Durable products** Those tangible consumer products which normally survive many uses. e.g. TV, radio, refrigerator, bicycle, sewing machine and kitchen gadgets, are referred to as durable products. These products are generally used for a longer period.

(iii) **Services** Services are intangible in form by services, we mean those activities, benefits or satisfactions that are offered for sale. e.g. dry cleaning, watch repairs, hair cutting, postal services, services offered by a doctor and a lawyer.

Following are the important features of services:

- Services are intangible.
- A service is inseparable from its source.
- Services can not be stored.
- Services are highly variable as their type and quality depend on the person providing them.

**24. What is meant by brand name? State any five characteristics of a good brand name. (Delhi 2011)**

or

**What are the characteristics of a good brand name? Explain. (Delhi 2009)**

**Ans.** Brand name is the verbal component of a brand, e.g. Asian Paints, Safola, Maggi and Uncle Chips are the brand names. Characteristics of a good brand name are:

(i) **Suggestive** A brand name should suggest something about a product's benefits, its use, quality, product nature, purpose, performance, etc.

(ii) **Short and easy** The name should be short, simple, easy to pronounce, recognise



and remember e.g. Ponds, VIP, Rin, Vim, etc.

(iii) **Capable of registration** It should be capable of being registered and protected legally under the legislation.

(iv) **Distinct** A brand name should be unique, attractive and distinctive e.g. Sun Light, Fair and Glow, Gold Flake, etc.

(v) **Adaptable** The brand name should be adaptable to packaging or labelling requirements, to different advertising media and different languages.

**25. What is meant by packaging? Give any five points explaining why packaging is important. (All India 2009)**

**Ans.** Packaging refers to the act of designing and producing the container or wrapper of a product. It is concerned with the determination of convenient size lots in which the product is to be put in the market and the creation of proper packages for different lot of sizes, in order to avoid spoilage, leakage, breakage and pilferage of the product. Importance of packaging are as follows: In the present age of consumer oriented marketing approach (i.e. buyers market), packaging has gained unique importance and provides several benefits in the marketing of goods.

(i) **Protection** A good package protects the product from damage, spoilage, breakage, leakage, etc., during transportation and storage.

(ii) **Product identification** The package helps to identify the product by indicating its nature and content. It is one of the important means for creating product differentiation.

(iii) **Silent salesman** Packaging helps to increase sales and obtain high prices. It acts as a silent but forceful salesman at the point of purchase and stimulates impulsive buying.

(iv) **Reduces cost** Packaging reduces the cost of transportation and storage and widens the market.

(v) **Sales promotion** Packaging itself is a device of sales promotion. A customer will pay more just to get the special package of the product.

