

CUET · BUSINESS STUDIES · CLASS XII · CODE 305

Marketing

CUET unit: Marketing

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Snapshot

- Establishes marketing as a social process of exchange — far broader than "selling" or "shopping" — covering pre-production, production and post-sale activities directed at need and want satisfaction.
- Traces five marketing management philosophies (Production → Product → Selling → Marketing → Societal), distinguishing their starting point, focus, means and ends.
- Builds the four-Ps Marketing Mix — Product, Price, Place (Physical Distribution) and Promotion — with detailed treatment of branding, packaging, labelling, pricing factors, distribution components and the promotion mix.
- Covers the four promotion-mix tools (advertising, personal selling, sales promotion, publicity) plus the five functions of Public Relations.
- High-yield CUET territory: definitions, classification trees (consumer/industrial products; convenience/shopping/specialty; durable/non-durable/services), pricing factors and merits/objections to advertising are recurring MCQ pockets.



Detailed Notes

2.1 Core concepts

- **Market — modern sense:** a set of actual and potential buyers of a product or service, not merely a physical place (NCERT §Understanding Market, p. 244).
- **Marketing defined:** performance of business activities that direct the flow of goods and services from producers to consumers; includes activities done before production (need identification, design, branding) and after sale (relationship maintenance) (NCERT §Marketing, p. 243).
- **Kotler's social view:** marketing is "a social process by which individual groups obtain what they need and want through creating offerings and freely exchanging products and services of value with others" (NCERT §Marketing, p. 243).
- **Features of marketing:** (i) Needs and Wants — need is felt deprivation, wants are needs shaped by culture/personality/religion; (ii) Creating a Market Offering — complete offer with features, price, location; (iii) Customer Value — buyer purchases on perceived value vs cost; (iv) Exchange Mechanism — needs two parties, each with

something of value, ability to communicate/deliver, freedom to accept/reject, willingness to transact (NCERT §Marketing, pp. 244–246).

- **Marketing Management:** planning, organising, directing and control of activities facilitating exchange between producers and consumers; defined by AMA as "the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individual and organisational goals" (NCERT §Marketing Management, pp. 246–247).
- **Demand states managed:** marketing managers manage demand — including reducing demand in **overfull demand** situations (raise prices, cut promotion) and reshaping **irregular demand** (seasonal products) via short-term incentives (NCERT §Marketing Management, p. 247).
- **Marketing vs Selling:** marketing is the entire range of planning, pricing, promoting and distributing; selling is just promotion + transfer of title from seller to buyer (NCERT box "Marketing Versus Selling", p. 248).
- **Production Concept:** demand > supply; focus on availability and affordability via large-scale, low-cost production (NCERT §The Production Concept, p. 248).
- **Product Concept:** supply rises; focus shifts to product quality, performance, features — "product improvement is the key" (NCERT §The Product Concept, pp. 248–249).
- **Selling Concept:** competition rises; aggressive selling and promotion to "persuade, lure or coax" buyers; assumes buyers can be manipulated (NCERT §The Selling Concept, p. 249).
- **Marketing Concept:** focus on customer need satisfaction; firm's job is to "identify a need and fill it"; pillars — target market identification, understanding needs, developing satisfying products, beating competition, doing so at a profit (NCERT §The Marketing Concept, pp. 249–250).
- **Societal Marketing Concept:** marketing concept + long-term welfare of consumers and society; addresses pollution, deforestation, resource shortage, population, inflation (NCERT §The Societal Marketing Concept, pp. 250–251).
- **Functions of marketing (12):** (1) Gathering & Analysing Market Information; (2) Marketing Planning; (3) Product Designing & Development; (4) Standardisation & Grading; (5) Packaging & Labelling; (6) Branding; (7) Customer Support Services; (8) Pricing; (9) Promotion; (10) Physical Distribution; (11) Transportation; (12) Storage/Warehousing (NCERT §Functions of Marketing, pp. 251–254).
- **Standardisation vs Grading:** standardisation = producing to predetermined specs (uniformity, reduces inspection); grading = classifying produced goods into groups by quality/size (used for agricultural products) (NCERT §Functions of Marketing, p. 252).
- **Marketing Mix — Four Ps:** (i) Product, (ii) Price, (iii) Place, (iv) Promotion (NCERT §Marketing Mix, p. 254).

- **Product — bundle of utilities:** three benefit types — functional, psychological and social (e.g., motorcycle = transport + prestige + social acceptance) (NCERT §Products, p. 256).
- **Product classification:** Consumer products (Durability basis — Non-durable, Durable, Services; Shopping efforts — Convenience, Shopping, Speciality) and Industrial products (Materials & Parts, Capital Items, Supplies & Business Services) (NCERT §Classification of Products, pp. 256–260).
- **Convenience products:** purchased frequently, immediately, with least time/effort; low unit-value, small quantities (cigarettes, ice creams, newspaper) (NCERT §Consumer Products, p. 257).
- **Shopping products:** buyers spend considerable time comparing quality, price, style, suitability (clothes, jewellery, furniture, TV) (NCERT §Consumer Products, p. 257).
- **Speciality products:** highest brand loyalty; buyers expend special effort and travel; demand relatively inelastic (rare artwork, antiques, particular saloon/tailor) (NCERT §Consumer Products, p. 258).
- **Industrial goods classification:** (i) Materials and Parts — raw materials (farm/natural) and manufactured materials/parts; (ii) Capital Items — installations and equipment; (iii) Supplies & Business Services — maintenance/repair items and operating supplies (NCERT §Classification of Industrial Goods, pp. 259–261).
- **Branding terms:** Brand = name/term/sign/symbol/design identifying seller's products. Brand Name = verbal/spoken part. Brand Mark = recognisable but non-utterable symbol/design/colour/lettering. Trade Mark = brand/part of brand given legal protection (NCERT §Branding, pp. 261–262).
- **Good brand name traits:** short, easy to pronounce/spell/recognise/remember; suggests benefits; distinctive; adaptable to packaging/media/languages; versatile for product-line extension; registrable/protected; staying power (NCERT §Characteristics of Good Brand Name, p. 262).
- **Packaging — three levels:** (1) Primary Package — immediate container (toothpaste tube, matchbox); (2) Secondary Packaging — additional layer kept till product use (cardboard box around shaving cream tube); (3) Transportation Packaging — corrugated boxes for storage/identification/transportation (NCERT §Levels of Packaging, pp. 262–263).
- **Functions of packaging:** (i) Product Identification; (ii) Product Protection (spoilage/breakage/leakage/pilferage/climatic); (iii) Facilitating Use; (iv) Product Promotion — sometimes "works even better than advertising" in self-service stores (NCERT §Functions of Packaging, pp. 264–265).
- **Importance of packaging:** rising standards of health/sanitation, growth of self-service outlets, innovational opportunity (e.g., milk storage 4–5 days without refrigeration), product differentiation (NCERT §Importance of Packaging, p. 264).
- **Labelling — five functions:** (1) Describe product and specify contents; (2) Identify product or brand; (3) Grading of products; (4) Promotion (e.g., "40% Extra Free"); (5)

Provide information required by law (vegetarian/non-veg, hazardous warnings) (NCERT §Labelling, pp. 265–266).

- **Pricing factors:** (1) Product Cost — sets floor price; types are Fixed, Variable, Semi-variable, Total; (2) Utility and Demand — sets upper limit; (3) Extent of Competition — price tends to upper limit when less competition; (4) Government and Legal Regulations — essential commodity declarations; (5) Pricing Objectives — short-run vs long-run profit, market-share leadership, survival, quality leadership; (6) Marketing Methods Used — distribution, promotion, packaging, credit etc. give pricing flexibility (NCERT §Factors affecting Price Determination, pp. 266–269).
- **Physical Distribution — main components:** (1) Order Processing — accurate and speedy; (2) Transportation — physical movement; (3) Warehousing — creates time utility, balance number/cost vs service; (4) Inventory Control — higher inventory = better service but higher carrying cost (NCERT §Components of Physical Distribution, pp. 270–271).
- **Promotion — definition:** use of communication with twin objectives — informing potential customers and persuading them to buy (NCERT §Promotion, p. 271).
- **Promotion Mix — four tools:** Advertising, Personal Selling, Sales Promotion, Publicity (NCERT §Promotion Mix, pp. 271–272).
- **Advertising — features:** Paid Form, Impersonality (monologue, not dialogue), Identified Sponsor (NCERT §Advertising, p. 272).
- **Merits of advertising:** Mass Reach, Enhancing Customer Satisfaction and Confidence, Expressiveness, Economy (low per-unit cost) (NCERT §Merits of Advertising, p. 273).
- **Objections to advertising:** (1) Adds to Cost; (2) Undermines Social Values; (3) Confuses the Buyers; (4) Encourages Sale of Inferior Products — each followed by NCERT's counter-rebuttal (NCERT §Objections to Advertising, pp. 273–274).
- **Personal Selling — features:** Personal Form (face-to-face dialogue), Development of Relationship (NCERT §Personal Selling, p. 275).
- **Personal Selling — merits:** Flexibility, Direct Feedback, Minimum Wastage (NCERT §Merits of Personal Selling, p. 275).
- **Personal selling roles (sales people):** persuasive, service, informative — linking firm to customers (NCERT p. 276).
- **Sales Promotion:** short-term incentives encouraging immediate purchase; supplements advertising/personal selling/publicity; includes rebate, discount, refunds, product combinations, quantity gift, instant draws/assigned gift, lucky draw, usable benefit, full finance @ 0%, sampling, contests (NCERT §Sales Promotion, pp. 277–279).
- **Sales Promotion — merits & limitations:** merits = Attention Value, Useful in New Product Launch, Synergy in Total Promotional Efforts; limitations = Reflects Crisis (signals firm can't manage sales), Spoils Product Image (NCERT pp. 277–278).

- **Public Relations — five functions:** (1) Publicity (non-paid, no identified sponsor); (2) Press Release; (3) Corporate Communication (newsletters, annual reports, speeches); (4) Lobbying (engaging government on policy); (5) Counselling (advising on public-affecting issues) (NCERT §Role of Public Relations, pp. 280–281).
- **Marketing objectives served by PR:** Building Awareness, Building Credibility, Stimulating Sales Force, Lowering Promotion Costs (NCERT p. 283).

2.2 Definitions to memorise

Term	Definition	Page
Market (modern sense)	Set of actual and potential buyers of a product or service	244
Need	A state of felt deprivation; basic to human beings	244
Want	Culturally defined object that is a potential satisfier of a need	244
Market Offering	Complete offer for a product/service — features, price, outlet	244
Marketing Management	Planning, organising, directing and control of activities facilitating exchange between producers and consumers	246
Selling	Promotion of goods/services through salesmanship, advertising, publicity and short-term incentives so that title is transferred from seller to buyer	248
Production Concept	Profit through volume of production via availability and affordability	248, 250
Marketing Concept	Profit through customer satisfaction by identifying and filling customer needs	249–250
Societal Marketing Concept	Identifying needs and delivering satisfaction so long-term well-being of consumers and society is taken care of	250
Standardisation	Producing goods of predetermined specifications for uniformity	252
Grading	Classifying products into different groups based on characteristics like quality, size	252
Marketing Mix	Set of marketing tools — Product, Price, Place, Promotion — used to pursue marketing objectives	254
Product	A bundle of utilities offering functional, psychological and social benefits	256
Convenience Product	Consumer product purchased frequently, immediately and with least effort	257
Shopping Product	Consumer product where buyers compare quality/price/style at several stores	257
Speciality Product	Consumer product with highest brand loyalty for which buyers expend special effort	257–258

Term	Definition	Page
Industrial Product	Product used as input in producing other products	259
Brand	Name, term, sign, symbol, design or combination used to identify and differentiate a seller's products	261
Brand Name	Verbal/spoken component of a brand	262
Brand Mark	Recognisable but non-utterable part — symbol, design, distinct colour scheme or lettering	262
Trade Mark	Brand or part of brand given legal protection	262
Packaging	Act of designing and producing the container or wrapper of a product	262
Primary Package	The product's immediate container	263
Labelling	Designing and developing the label put on the package	252, 265
Price	Amount of money paid by a buyer or received by a seller in consideration of purchase of a product/service	266
Fixed Costs	Costs that do not vary with the level of activity	267
Variable Costs	Costs that vary in direct proportion with level of activity	267
Physical Distribution	All activities required to physically move goods from manufacturers to customers	270
Warehousing	Storing and assorting products to create time utility	270– 271
Promotion	Use of communication to inform potential customers about a product and persuade them to buy	271
Advertising	Paid, impersonal form of communication with an identified sponsor	272
Personal Selling	Oral presentation of message in the form of conversation with one or more prospective customers for making sales	274– 275
Sales Promotion	Short-term incentives designed to encourage immediate purchase	277
Publicity	Non-paid, non-personal form of communication with no identified sponsor	280

2.3 Diagrams / processes to remember

- **Table — Differences in the Marketing Management Philosophies** comparing Starting Point, Main Focus, Means, Ends across Production / Product / Selling / Marketing / Societal concepts (p. 250).
- **Marketing Mix: Elements** box — lists sub-elements under each P (e.g., Product Mix, Quality, Design, Packaging, Labelling, Branding under Product) (p. 255).

- **Classification of Products tree** — splits into Consumer Products (Durability basis: Non-durable/Durable/Services; Shopping efforts: Convenience/Shopping/Speciality) and Industrial Products (p. 257).
- **Classification of Industrial Goods tree** — Materials & Parts (Raw Material → Farm/Natural; Manufactured Material/Parts → Component Material/Parts), Capital Items (Installations, Equipment), Supplies & Business Services (Maintenance/Repair, Operating Supplies) (p. 261).
- **Levels of Packaging diagram** — Primary, Secondary, Transportation (p. 263).
- **Promotion Mix diagram** — Advertising, Personal Selling, Public Relations, Sales Promotion linking Marketer to Customer (p. 272).
- **Difference between Advertising and Personal Selling table** — 10 points of contrast (impersonal vs personal, standardised vs adjusted message, mass reach vs limited, low vs high per-person cost, etc.) (p. 282).

2.4 Common confusions / NTA trap points

- **Selling vs Marketing:** selling is a **part** of marketing (only promotion + title transfer); marketing covers planning, pricing, distribution and promotion. NTA likes "marketing starts after production" as a wrong-statement distractor.
- **Brand vs Brand Name vs Brand Mark vs Trade Mark:** brand is the umbrella; brand name is spoken; brand mark is the un-utterable symbol; trade mark is the **legally protected** brand. Don't conflate brand mark with trade mark.
- **Standardisation vs Grading:** standardisation produces to pre-set specs (manufactured goods); grading sorts already-produced goods by quality/size (typically agricultural).
- **Production vs Product Concept:** Production = quantity, availability, affordability (factory starting point); Product = quality, performance, features. Both start from the factory — only the focus differs.
- **Publicity vs Advertising:** both impersonal, but publicity is **non-paid** with **no identified sponsor** — appears as news. Advertising is paid with an identified sponsor.
- **Floor vs Ceiling of price:** Product Cost sets the **lower** limit (floor); Utility and Demand sets the **upper** limit (ceiling). Reversing these is a common NTA trap.
- **Convenience vs Shopping vs Speciality:** measured by **effort the buyer expends** — least (convenience) → moderate comparison (shopping) → high effort & brand loyalty (speciality). Speciality demand is **inelastic**.
- **Functions of marketing (12) vs Marketing mix (4 Ps)** — these are different lists. Functions describe what marketers DO; the mix describes the tools they use.
- **Five PR functions vs Four promotion-mix tools** — easy to confuse. PR is itself a tool (within promotion mix) and has its own five sub-functions.

- **Levels of packaging — three not two** — primary (immediate container), secondary (additional layer), transportation (corrugated boxes for transit). Students often forget the secondary level.
- **Marketing concept starting point is the MARKET** — not the factory. Production and Product Concepts start from the factory; Selling also from the factory.

2.5 Case examples

- **Maruti Suzuki small-car positioning (NCERT context, § Marketing Concept)** — Maruti identified the small-car need in the Indian middle class and built the 800/Alto/Wagon-R to fill it — the canonical Indian example of "identify a need and fill it" marketing.
- **HUL Surf Excel detergent (NCERT context, § Product features)** — Surf Excel's product features and packaging (different SKUs, regional variants) illustrate how the Product P of the marketing mix works in Indian FMCG.
- **Tata Tea / Tata Salt branding (NCERT context, § Branding)** — Tata Salt's brand name conveys trust, purity and the Tata reputation — a textbook example of a good brand name (short, easy to pronounce, distinctive, suggests benefits).
- **Amul packaging (NCERT context, § Packaging functions)** — Amul's tetra-pak innovation for milk storage 4-5 days without refrigeration is the canonical example of innovational packaging that the NCERT references.
- **ITC tobacco advertising restrictions (NCERT context, § Legal Environment / advertising)** — cigarette packs must carry statutory health warnings; alcoholic-beverage advertising is banned. These are NCERT-cited live examples of the legal environment shaping marketing decisions.

Practice MCQs

Q1. Which of the following correctly defines a "market" in the modern marketing sense?


- A.** A physical place where buyers and sellers gather to exchange goods
- B.** A set of actual and potential buyers of a product or service
- C.** The retail and wholesale outlets for a particular product
- D.** The total quantity of a commodity transacted in a region

Q2. Match the marketing philosophy with its "main focus" as given in the NCERT comparison table. List I (Philosophy) — List II (Main Focus) (i) Production Concept — (1) Customer needs and society's well-being (ii) Product Concept — (2) Quantity of product (iii) Marketing Concept — (3) Quality, performance, features of product (iv) Societal Concept — (4) Customer needs

- A. (i)-2, (ii)-3, (iii)-4, (iv)-1
- B. (i)-3, (ii)-2, (iii)-1, (iv)-4
- C. (i)-2, (ii)-4, (iii)-3, (iv)-1
- D. (i)-1, (ii)-3, (iii)-4, (iv)-2

Q3. The "starting point" of both the Marketing Concept and the Societal Marketing Concept, as per the NCERT comparison, is —

- A. Factory
- B. Existing product
- C. Market (and, for Societal, also Society)
- D. Promotion mix

 **9 more MCQs + answer key**
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PYQ Alignment

Marketing is among the highest-weight units in CUET Business Studies, typically yielding 10–13 MCQs per year. NTA's preferred patterns from this chapter include: direct definitions (brand mark, trade mark, publicity, price floor), classification matching (consumer vs industrial; convenience/shopping/speciality), philosophy comparison (production/product/selling/marketing/societal "main focus" or "ends"), example-driven recognition of sales-promotion tools (rebate, lucky draw, quantity gift) and statement-based questions on advertising's merits and objections.

CUET 2023 — Actual PYQs from this chapter

Q.6 (CUET 2023) Arrange the following in a proper sequence (distribution channel): A. Agent B. Retailer C. Customer D. Manufacturer E. Wholesaler Options:

- A) D, C, B, A, E B) D, A, E, B, C C) D, B, E, A, C D) D, E, A, B, C **Tests:** Channels of Distribution — sequence Manufacturer→Agent→Wholesaler→Retailer→Customer **Answer:** Not in extracted key

Q.8 (CUET 2023) Match List I with List II. List I List II A. Production concept I. Satisfaction of customer needs B. Product concept II. Quantity of product C. Selling concept III. Aggressive selling techniques D. Marketing concept IV. Quality of product

- A) B) C) D) **Tests:** Marketing Philosophies — Production/Product/Selling/Marketing concept **Answer:** Not in extracted key

Q.27 (CUET 2023) Labelling is an element of which 'P' of marketing mix?

- A) Product B) Price C) Place D) Promotion **Tests:** Marketing Mix — Labelling under Product (4 Ps) **Answer:** Not in extracted key

Q.30 (CUET 2023) Identify the factor which does not affect pricing of a product.

- A) Cost of product and utility B) Price and extent of competition C) Cost of product and marketing method D) Marketing method and pricing objective **Tests:** Marketing Mix — Price; Factors affecting pricing **Answer:** Not in extracted key

CUET 2025 — Actual PYQs from this chapter

Q.49 (CUET 2025) Which of the following is NOT a marketing mix element?

- A) Product B) Price C) Place D) Promotion **Tests:** Marketing Mix — 4 Ps **Answer:** Not in extracted key

Q.50 (CUET 2025) What does labelling provide to customers?

- A) Packaging design B) Product information C) Product protection D) Enhances product quality **Tests:** Functions of Labelling **Answer:** Not in extracted key