MADE BY

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CBSE CLASS 12

BUSINESS STUDIES

PREMIUM NOTES

CHAPTER 11

Marketing Management

NCERT BASED | EXAM FOCUSED | EASY LANGUAGE

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Chapter Snapshot

#	Question	Answer
1	What is this chapter about?	How businesses create, price, place, and promote their products — to satisfy customers better than competitors and earn sustained profit.
2	Why is it important?	One of the highest-weightage chapters in Part B. The marketing mix (4Ps) and advertising vs personal selling appear almost every year.
3	Real-life use	Every product you use — from Maggi to your iPhone — reached you through decisions covered in this chapter.
4	Why do students struggle?	Very large chapter — too many sub-topics (Product, Price, Place, Promotion each has multiple sub-sections). Students often mix up sub-topics.
5	How to study it	Divide into 3 blocks: (1) Concept of marketing + Marketing vs Selling. (2) 4Ps in detail. (3) Promotion elements (Advertising, Personal Selling, Sales Promotion, PR).
6	Exam weight	Extremely high — 6-8 marks almost guaranteed. Advertising vs personal selling alone is a recurring 5-mark question.
7	Most important areas	Marketing vs Selling (difference), Marketing Mix (4Ps), Product classification, Channels of Distribution, Advertising features and objections, Personal Selling qualities, Sales Promotion tools.
8	Difficulty level	Medium-High due to volume. But each individual topic is straightforward.
9	Revision time	First read — 2.5 hours. Second revision — 1 hour. Final revision — 30 minutes.
10	One-line summary	Marketing is discovering what customers NEED, creating products to MEET it, PRICING them right, making them AVAILABLE, and COMMUNICATING their value — profitably.

Section 1 Big Picture of the Chapter

Imagine Maggi Noodles is launching a NEW product — 'Maggi Masala Oats'.

Before the first packet hits a shelf, Nestle's marketing team makes hundreds of decisions:

Marketing Question	Marketing Decision Made
What should the product be?	Oats — capitalising on the health trend. Masala flavour — Indian taste preference. 72g pack — single serving.
What should the price be?	₹15 — affordable, below competing health breakfast products. Not too cheap (looks low quality), not too expensive.
Where should it be sold?	Supermarkets, kirana stores, Amazon, Big Basket, Swiggy Instamart — everywhere the health-conscious customer shops.
How should it be promoted?	TV ads showing busy professionals, Instagram health influencers, free samples in gyms, ₹5 off first purchase (sales promotion).

Product. Price. Place. Promotion. These four decisions = the **Marketing Mix (4Ps)** — the CORE of this chapter.

And before all of this — Nestle had to RESEARCH and UNDERSTAND the customer. That research → understanding → planning is called MARKETING.

TEACHER TIP — SMIT SIR

Classroom hook: Hold up your pen (or any classroom object) and ask: 'If I told you to MARKET this pen to someone who already has 50 pens — what would you do?' Let students answer. Every answer they give (change the look, reduce price, run a campaign, sell online) is a 4P decision. Then say: 'That's this chapter.'

Section 2 Learning Objectives

After studying this chapter, you will be able to:

1. Define marketing and explain how it differs from selling.
2. Explain the concept of marketing management.
3. List and explain the 4 elements of the Marketing Mix (4Ps).
4. Classify products and explain each category with examples.
5. Explain branding, packaging, and labelling and their importance.
6. Explain the factors that affect the pricing decision.
7. Describe the channels of distribution and factors affecting their choice.
8. Explain the elements of the promotion mix.
9. State the features, merits, and limitations of advertising.
10. Explain the qualities of a good salesman and compare advertising with personal selling.
11. Identify tools of sales promotion and their purposes.
12. Write structured 4-mark and 6-mark board exam answers from this chapter.

Section 3 Chapter Map

Topic No.	Topic Name	Sub-topics
1	Concept of Marketing	Meaning of marketing, Marketing vs Selling, Marketing Management
2	Marketing Mix (4Ps Overview)	Product, Price, Place, Promotion — overview
3	Product	Classification, Branding, Packaging, Labelling
4	Price	Meaning + 7 factors affecting pricing decision
5	Place / Physical Distribution	Channels of Distribution (0-1-2-3 level) + Factors affecting channel choice
6	Promotion	Promotion Mix overview — 4 elements
7	Advertising	Meaning, Features, Merits, Limitations, Objections to advertising
8	Personal Selling	Meaning, Features, Merits, Limitations, Qualities of a good salesman
9	Sales Promotion	Meaning + 10 tools/techniques
10	Public Relations	Meaning, Role, Methods

MEMORY TRICK

Anchor: Concept of Marketing → 4Ps (Product + Price + Place + Promotion) → Deep-dive each P → Promotion expanded into 4 elements.

Visual map: Marketing Mix is the trunk of a tree. Product, Price, Place, Promotion are 4 branches. Advertising, Personal Selling, Sales Promotion, PR are the leaves of the Promotion branch.

Section 4 Key Terms Before Starting

Term	Simple Meaning	One-line Example
Marketing	The process of understanding customer needs and delivering value through the right product, price, place, and promotion.	Nestle researching Indian taste for Maggi, producing it, pricing at ₹12, distributing nationally, and advertising on TV.
Marketing Mix (4Ps)	The combination of Product, Price, Place, and Promotion decisions.	Launching a ₹499 perfume (price), with floral packaging (product), sold at Nykaa (place), promoted through Instagram (promotion).
Selling	Converting the product already made into cash by persuading buyers.	A salesman convincing a customer to buy a laptop in a showroom.
Branding	Giving a product a unique name, symbol, or logo to identify it.	'Nike' swoosh, 'Apple' apple, 'Amul' girl.
Packaging	The container or wrapper that holds, protects, and presents the product.	Maggi's yellow packet, Coca-Cola's glass bottle, Amazon's brown cardboard box.
Labelling	Information printed on or attached to a package.	MRP, ingredients, expiry date, batch number, manufacturer's name.
Channel of Distribution	The path through which a product travels from producer to consumer.	Producer → Distributor → Retailer → Consumer (2-level channel).
Advertising	Any paid, non-personal promotion of goods or services through mass media.	A TV commercial for Lays chips, a YouTube ad for Swiggy.
Personal Selling	Face-to-face communication between a salesperson and a potential buyer.	Insurance agent visiting your home, car showroom salesperson.
Sales Promotion	Short-term incentives to encourage immediate purchase.	'Buy 1 Get 1 Free', ₹50 off coupon, free sample of shampoo.
Public Relations (PR)	Building and maintaining a positive image of the company with the public.	Tata Group sponsoring community events, CSR activities.
Promotion Mix	The combination of Advertising, Personal Selling, Sales Promotion, and PR used to communicate with the market.	Jio's launch: TV ads + sales agents at kiosks + free trial (sales promotion) + PR campaigns.

Section 5 Detailed Topic-wise Notes

Topic 1 Concept of Marketing

A. What is Marketing?

DEFINITION

Marketing is a social and managerial 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.

Simple meaning: Marketing = identifying what customers NEED → creating a product to meet that need → communicating its value → making it available → and doing all this profitably and sustainably.

Marketing is NOT just advertising. It covers everything from market research to after-sales service. Advertising is just one small part.

B. Needs, Wants, and Demands

Concept	Meaning	Example
Need	A state of deprivation — something essential that is lacking.	Hunger, thirst, shelter, clothing.
Want	A need directed toward a specific object based on culture, personality, or experience.	Wanting a Domino's pizza to satisfy hunger.
Demand	A want backed by purchasing power and willingness to buy.	Actually going to Domino's and paying ₹300 for a pizza.

C. Marketing Management

DEFINITION

Marketing management is the art and science of choosing target markets and getting, keeping, and growing customers through creating, delivering, and communicating superior customer value.

Simple: Marketing management = making all the marketing decisions (4Ps) in a planned, organised, and controlled way to reach the right customers profitably.

Topic 2 Marketing vs Selling — Most Important Difference Table

This **difference table appears almost every year in CBSE board exam** — sometimes as 4 marks, sometimes as 6 marks. Know ALL 8 points of difference perfectly.

Basis of Difference	Marketing	Selling
Meaning	Identifying customer needs and satisfying them profitably.	Converting the produced goods into money by persuading buyers.
Focus	Customer needs and wants.	The product already produced.
Start point	Starts with the MARKET (customer research).	Starts with the FACTORY (the product is already made).
Objective	Customer satisfaction → long-term profit.	Sales volume and profit through persuasion.
Approach	Integrated approach — all departments work together for the customer.	Piecemeal — sales team works separately from other departments.
Scope	Broader — includes product design, pricing, distribution, promotion, after-sales.	Narrower — mainly personal selling and advertising.
Time horizon	Long-term — building customer relationships and brand loyalty.	Short-term — completing the transaction.
Customer view	Customer is king — business serves customer needs.	Customer is a target — to be persuaded into buying.
Example	Apple continuously researches what users want → designs the iPhone around user experience.	A phone salesman at a store pushing the existing stock of iPhones to walk-in customers.

MEMORY TRICK

Memory hook for differences: "Marketing = Market First, Product Second. Selling = Product First, Customer Second."

Trigger words: Marketing uses — 'customer', 'needs', 'long-term', 'integrated', 'broader'. Selling uses — 'product', 'persuasion', 'short-term', 'transaction'.

Topic 3 Marketing Mix — The 4Ps

DEFINITION

Marketing Mix is the combination of four major decision variables — Product, Price, Place, and Promotion — that a business can control to satisfy customers in the target market.

4Ps: Product (what you sell) + Price (what you charge) + Place (where it's available) + Promotion (how you communicate).

P	Full Name	One-line Meaning	Indian Example
1st P	Product	Everything about what you're offering — design, features, quality, brand, packaging.	Maggi's 2-minute noodles — taste, yellow packaging, 'Masala' flavour, Maggi brand name.
2nd P	Price	The amount charged for the product — including discounts, payment terms, credit.	Jio's ₹99 prepaid plan — affordable pricing as a market penetration strategy.
3rd P	Place	Where and how the product is made available to customers — distribution network.	Amul products available in 3 million+ retail outlets across India — zero distribution gap.
4th P	Promotion	All communication activities to inform, persuade, and remind customers.	IPL title sponsorship by Dream11, Tata IPL jersey sponsor — high-visibility promotion.

Topic 4 Product

DEFINITION

A product is anything that can be offered to a market for attention, acquisition, use, or consumption — to satisfy a want or need. It includes physical objects, services, persons, places, organisations, and ideas.

Simple: A product is what the customer receives in exchange for money — whether it is a physical item (a phone), a service (a haircut), an experience (a concert), or information (a course).

A. Classification of Products

Classification 1: Based on Durability and Tangibility

Type	Meaning	FMCG Examples	Sub-category
Non-durable goods	Tangible items consumed quickly (1-2 uses).	Soap, bread, milk, shampoo, cold drink.	Fast Moving Consumer Goods (FMCG)
Durable goods	Tangible items used over a long time (years).	TV, refrigerator, washing machine, car, furniture.	Consumer durables
Services	Intangible activities or benefits — cannot be stored or touched.	Banking, insurance, education, haircuts, consulting.	Service industry

Classification 2: Based on Use / End User

Type	Meaning	Examples	Sub-classification
Consumer Goods	Bought by final consumers for personal use.	Food, clothing, electronics, cars.	Convenience goods, Shopping goods, Specialty goods, Unsought goods
Industrial Goods	Bought by businesses/organisations for producing other goods or services.	Raw materials (cotton, iron), machinery, computers used in factories.	Raw materials, Machinery, Supplies, Business services

B. Branding

DEFINITION

Branding is the process of creating a unique name, term, sign, symbol, or design — or a combination of these — intended to identify the goods or services of a seller and differentiate them from competitors.

Brand name — verbal part: 'Amul', 'Maggi', 'Nike'.

Brand mark — symbol or design: Apple's apple, Nike's swoosh, Amul girl.

Advantages of Branding:

- **For sellers:** Easier promotion — brand is recognised instantly. Premium pricing possible. Legal protection (trademark). Brand loyalty reduces customer switching.
- **For buyers:** Easy identification of the product. Quality assurance — known brands have consistent quality. Status symbol (premium brands). Easy repeat purchase.

EXAMPLE

Amul's 'Utterly Butterly Delicious' tagline and Amul girl logo have been unchanged for 50+ years. That consistency = massive brand equity. A customer doesn't read labels in a shop — they just look for the Amul girl. That instant recognition = power of branding.

C. Packaging

DEFINITION

Packaging refers to the design and production of the container or wrapper for a product — to protect, preserve, and promote the product.

Three levels of Packaging:

Level	Description	Example
Primary package	The immediate container holding the product.	Coca-Cola can, toothpaste tube, Maggi packet.
Secondary package	The outer box or covering around the primary package.	The cardboard box around a tube of Colgate toothpaste.
Shipping/Transport package	Packaging needed for bulk storage and transport.	Corrugated carton holding 48 Maggi packs for shipment.

Functions of Packaging:

- Product protection — from damage, moisture, contamination during transport and storage.
- Promotion — packaging design attracts attention and communicates brand identity on the shelf.

- Identification — unique packaging makes the product recognisable (e.g. Coke's contour bottle).
- Consumer convenience — easy-open, resealable, single-serve portions (e.g. Appy Fizz can).
- Carrying required information — enables labelling.

D. Labelling

DEFINITION

Labelling refers to the information printed on or attached to the packaging of a product — to inform the buyer about the product's contents, usage, price, manufacturing details, and legal compliance.

Functions of Labelling:

- Describes the product — ingredients, composition, directions for use, warnings.
- Identifies the product — brand name, manufacturer's name and address.
- Mandatory legal information — MRP, net weight, expiry date, batch number, country of origin.
- Helps grading — sorting products into different quality/grade categories.
- Promotional tool — attractive label design aids in-store marketing.

EXAMPLE

Example: A Maggi packet label contains: brand name (Maggi), product name (Masala Noodles), ingredients list, net weight (70g), MRP (₹12), manufacturing date, expiry date, batch number, FSSAI licence number, Nestle India address, cooking instructions, QR code. Every single item is legally mandated or customer-helpful.

COMMON MISTAKE

Common confusion: Packaging = the physical container/wrapper. Labelling = the information ON the packaging. Both are part of the product decision but they are NOT the same thing.

Topic 5 Price

DEFINITION

Price is the amount of money customers pay to acquire a product or service.

Simple: Price is the only element of the 4Ps that generates REVENUE. Product, Place, and Promotion all involve costs. Price brings money in.

7 Factors Affecting Pricing Decision:

These **7 factors** are a **very common 4-5 mark question**. Know all 7 with examples.

1. Cost of Production

Explanation: The price must cover at least the cost of producing the product — including raw material, labour, overheads, and desired profit margin. Price cannot be set below cost for long.

EXAMPLE

If a Rs 100 watch costs ₹60 to make, the minimum price is ₹60+ profit. If raw material price rises, the MRP typically rises too.

Keywords: cost, raw material, break-even, minimum price, profit margin

2. Demand

Explanation: Higher demand = higher price possible. Lower demand = lower price needed. Demand elasticity matters — if customers are price-sensitive, small price increases reduce demand sharply.

EXAMPLE

During cricket World Cup, hotel prices near the stadium triple — same rooms, same quality, higher demand = higher price. This is demand-based pricing.

Keywords: demand, elasticity, price-sensitive, high demand, scarce

3. Competition in the Market

Explanation: If many competitors offer similar products, pricing must be competitive. If you are the only seller (monopoly), you can charge more. Intense competition forces prices down.

EXAMPLE

Telecom market pre-Jio: Airtel and Vodafone charged ₹250 for 1GB data. Post-Jio entry:

prices crashed to ₹5/GB. Competition drove the price down 98%.

Keywords: competition, market structure, monopoly, price war, competitive pricing

4. Pricing Objectives

Explanation: The objective shapes the price. Market penetration → low price. Skimming → high price. Profit maximisation → premium price. Market share → competitive price.

EXAMPLE

When Amazon entered India, it priced products below cost for years (market penetration pricing) to capture customers. Once dominant, pricing power grew.

Keywords: penetration pricing, skimming, profit maximisation, market share, pricing objective

5. Government and Legal Regulations

Explanation: Some industries have government-controlled prices (electricity, essential medicines, petrol taxes). The business must price within legal limits.

EXAMPLE

NPPA (National Pharmaceutical Pricing Authority) caps prices of essential medicines in India — pharma companies cannot charge beyond the ceiling price regardless of their cost.

Keywords: government, legal, regulated, NPPA, price ceiling, essential commodities

6. Marketing Methods Used

Explanation: Expensive distribution (multiple middlemen), heavy advertising, costly packaging, and expensive after-sales service all increase costs — which must be recovered in the price.

EXAMPLE

Apple products are priced high partly because of the global retail store network, expensive advertising, premium packaging, and 1-year warranty — all marketing costs built into the price.

Keywords: marketing cost, distribution cost, advertising, packaging, after-sales

7. Product Differentiation

Explanation: A highly differentiated product (unique features, strong brand, superior quality) can command a premium price. A commodity (undifferentiated) must compete on price alone.

EXAMPLE

Apple iPhone 15 Pro (₹1,34,900) vs any budget Android phone (₹7,999) — same communication function, but Apple's product differentiation (design, ecosystem, brand) justifies 17× higher price.

Keywords: differentiation, unique features, premium price, brand, quality, uniqueness

MEMORY TRICK

Memory trick — "C-D-C-P-G-M-D":

C — Cost of production

D — Demand

C — Competition

P — Pricing objectives

G — Government and legal regulations

M — Marketing methods used

D — Product differentiation

Recall: "Can Demand Change Price? Government Must Decide."

Topic 6 Place — Physical Distribution and Channels

DEFINITION

Physical Distribution includes all activities involved in making the product available to the customer — transportation, warehousing, inventory management, and order processing.

Channel of Distribution = the path through which a product moves from producer to consumer.

A. Components of Physical Distribution

Component	Meaning	Example
Transportation	Moving the product from production point to market.	Amul milk transported from Anand (Gujarat) to Mumbai daily by refrigerated trucks.
Warehousing	Storing products before they reach the final customer.	Amazon's fulfilment warehouses in Bhiwandi, Mumbai.
Inventory Management	Maintaining the right level of stock — not too much (costly) not too little (stockout).	Reliance Smart Store maintaining 3-day stock of fresh produce.
Order Processing	Receiving, processing, and fulfilling customer orders efficiently.	Swiggy Instamart processing 10-minute delivery orders.

B. Channels of Distribution — 4 Types

A channel of distribution is the **path money and products travel** between producer and consumer. Four levels exist:

Zero-level Channel (Direct Channel) — Producer sells directly to Consumer

PRODUCER	→ Directly →	CONSUMER

No middlemen. Producer has direct contact with consumer. Suitable for: industrial goods, custom orders, online D2C brands.

EXAMPLE

AMUL's AMUL parlours (company-owned outlets) — no middlemen. Dell computers sold directly via dell.com — no retailers. Nykaa's brand website selling products directly.

One-level Channel — Producer → Retailer → Consumer

PRODUCER	→	RETAILER	→	CONSUMER

One middleman: retailer. Suitable for: consumer durables, departmental stores, supermarkets.

> **EXAMPLE**
>
> Samsung sells TVs to Reliance Digital (retailer) → Reliance Digital sells to consumers. Levi's selling jeans to Shoppers Stop, which sells to shoppers.

Two-level Channel — Producer → Wholesaler → Retailer → Consumer

PRODUCER	→	WHOLESALER	→	RETAILER	→	CONSUMER

Two middlemen: wholesaler and retailer. **Most common channel** for FMCG products in India.

> **EXAMPLE**
>
> Amul butter: Amul → regional distributor (wholesaler) → kirana stores (retailers) → consumer. Parle-G biscuits: Parle → Super Stockist → Sub-Stockist → Kirana → Consumer.

Three-level Channel — Producer → Agent → Wholesaler → Retailer → Consumer

PRODUCER	→	AGENT	→	WHOLESALER	→	RETAILER	→	CONSUMER

Three middlemen. Used when producer and consumer are in very different geographies. Agent negotiates on behalf of producer.

> **EXAMPLE**
>
> Indian spice exporters use export agents (who arrange international buyers) → foreign wholesalers → foreign retailers → foreign consumers.

C. Factors Affecting Choice of Distribution Channel

Factor Category	Factors	Explanation
Product-related factors	Nature (perishable vs durable), Unit value, Technical complexity, Standardisation	Perishable products (milk, vegetables) → short channel. High-value complex products (industrial machinery) → direct channel.
Company-related factors	Financial strength, Management experience, Control desired	Small companies with limited funds may use wholesalers (less control but lower cost). Large companies may build own distribution (more control).

Factor Category	Factors	Explanation
Market-related factors	Size of market, Concentration, Order size, Consumer buying habits	If market is geographically spread → longer channel. If consumers prefer online → direct/e-commerce channel.
Middlemen-related factors	Availability, Willingness, Competence, Cost	If good wholesalers are available and reliable → use them. Otherwise go direct.
Environmental factors	Legal requirements, Economic conditions, Technology	E-commerce technology has enabled many companies to eliminate middlemen entirely.

EXAM TIP

Quick answer tip: When asked 'factors affecting distribution channel', group your answer by Product / Company / Market / Middlemen / Environment. 5 groups × 1-2 points each = complete answer.

Topic 7 Promotion Mix — Overview

DEFINITION

Promotion includes all activities undertaken by the marketer to communicate, inform, persuade, and remind target customers about the product and its benefits.

4 elements of Promotion Mix:

1. Advertising 2. Personal Selling 3. Sales Promotion 4. Public Relations

Element	Type	Reach	Cost per contact	CBSE importance
Advertising	Paid, non-personal, mass media	Very wide — crores of people	Very low per person	Very high — features + merits + limitations tested
Personal Selling	Paid, personal, one-to-one	Narrow — one person at a time	Very high per person	High — qualities of salesman, merits, limitations tested
Sales Promotion	Short-term incentives	Wide — anyone seeing the offer	Medium	Moderate — tools/techniques tested
Public Relations	Mostly non-paid, non-personal	Wide — through news/events	Low (no media cost)	Low-moderate — meaning and role tested

Topic 8 Advertising

DEFINITION

Advertising is any paid form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor through mass media such as TV, radio, newspapers, magazines, and the internet.

5 key words in the definition:

(1) **Paid** — sponsor pays for space/time. (2) **Non-personal** — not face-to-face; reaches mass audience. (3) **Identified sponsor** — company is known. (4) **Mass media** — TV, radio, newspaper, digital. (5) **Ideas/goods/services** — not just products.

A. Features of Advertising

Feature	Explanation
1. Paid form	The advertiser (sponsor) pays for the space or airtime — unlike publicity which is free.
2. Non-personal	No face-to-face contact with customers. Reaches many people simultaneously through mass media.
3. Identified sponsor	The company or individual paying for the ad is clearly known (unlike propaganda which can be anonymous).
4. Persuasive	The goal is to persuade buyers to try, buy, or remain loyal to the advertised product.
5. Flexible	Can be adapted for different media (TV, print, digital), geographies, and audiences.

B. Merits of Advertising

1. Mass reach

Explanation: Advertising reaches millions of potential customers simultaneously. A 30-second Jio ad during IPL reaches 100+ million viewers.

Keywords: mass reach, wide audience, simultaneous

2. Enhances customer satisfaction and confidence

Explanation: Seeing a known brand advertised reassures existing customers — they feel they made the right purchase. Builds loyalty.

Keywords: confidence, reassurance, loyalty

3. Expressiveness

Explanation: Advertising uses sights, sounds, colours, emotion, and story to communicate powerfully. TV ads can create emotional connections that a salesman cannot.

Keywords: creative, emotional, sight and sound, colourful

4. Economy

Explanation: Despite high total cost, advertising has very LOW cost per contact. One crore rupee TV ad seen by 5 crore people = ₹0.20 per viewer.

Keywords: low cost per contact, economical, scale

5. Introduces new products

Explanation: Advertising is the fastest way to create awareness of a new product across a large market.

Keywords: awareness, new product launch, introduction

6. Supports personal selling

Explanation: A customer already aware of the product (through ads) is more receptive to the salesman. Advertising opens the door; selling closes it.

Keywords: complements selling, pre-awareness, lead generation

C. Limitations of Advertising

Limitation	Explanation
1. Less forceful	Non-personal — customers can ignore it. A salesman adapts to objections; an ad cannot.
2. Lack of feedback	Advertiser cannot know immediately how many people saw the ad and whether they were convinced.
3. Inflexibility	Once the ad is broadcast or printed, it cannot be changed for a specific customer's needs.
4. Low credibility	Consumers know ads are paid promotional content — they may be sceptical. Rumours and negative reviews can outweigh expensive advertising.
5. Difficult to measure effectiveness	Very hard to prove that an increase in sales was directly caused by a specific advertisement.
6. High total cost	Even if cost per contact is low, the absolute cost of a national advertising campaign can be enormous.

D. Objections to Advertising (Critical Analysis)

Some critics argue that advertising is harmful. CBSE tests these objections and the **answers to these objections**. You must know BOTH the objection AND the counter-argument.

Objection Against Advertising	Counter-argument / Answer
1. Adds to cost — raises product prices.	Advertising increases sales volume. Higher volume → lower per-unit cost. This saves money for consumers. Competition among advertisers also keeps prices in check.
2. Undermines social values — creates materialistic culture.	Advertising reflects existing social values more than creating them. Consumers have the intelligence to distinguish wants from needs.
3. Encourages purchase of inferior products — misleads buyers.	False or misleading advertising is illegal (Consumer Protection Act, ASCI code). Reputed brands cannot risk reputation by misleading — market self-corrects.
4. Monopoly of big firms — small businesses cannot afford advertising.	Digital platforms (Google, Instagram, YouTube) allow even tiny businesses to advertise at very low budgets. Advertising actually helps new entrants challenge established brands.
5. Wasteful expenditure — ads for competing brands cancel each other out.	Competition through advertising drives product improvement, price competition, and innovation — benefiting consumers. Without advertising, markets become monopolies.
6. Confuses buyers — too many ads, too much choice.	Advertising provides information that helps buyers make better decisions. Education about options is always better than ignorance.

EXAM TIP

Exam tip: CBSE often asks 'Discuss the objections raised against advertising and give suitable answers.' For each objection, write: Objection (1-2 lines) → Counter / Answer (1-2 lines). Don't just list objections — the answer must include the rebuttal.

Topic 9 Personal Selling

DEFINITION

Personal selling refers to face-to-face interaction between a salesperson and a prospective customer for the purpose of making a sale.

Simple: A salesman meets a customer, understands their specific need, presents the product tailored to that need, handles objections, and closes the sale — in person, one customer at a time.

A. Features of Personal Selling

Feature	Explanation
1. Personal form	Direct, face-to-face communication — unlike advertising (mass media) or sales promotion (incentives).
2. Flexibility	The salesperson adapts their pitch based on the customer's reactions, questions, and objections — something advertising cannot do.
3. Direct feedback	Salesperson gets immediate response from the customer. Can modify approach based on feedback.
4. Relationship building	Regular personal contact builds long-term relationships and customer loyalty — especially in B2B markets.
5. Minimum wastage	Effort is focused on qualified prospects — not wasted on people who are unlikely to buy.

B. Merits of Personal Selling

Merit	Explanation
1. Flexible communication	Salesperson tailors the message to each customer's specific need, personality, and objections.
2. Two-way communication	Immediate question-answer — customer doubts are resolved instantly, improving conversion rate.
3. Builds long-term relationships	Regular personal contact creates trust, loyalty, and repeat business — especially for industrial products.
4. Higher persuasion	Direct human interaction is far more persuasive than a mass media ad — closure rate is much higher.
5. Immediate feedback	Salesperson knows instantly if the pitch worked, allowing real-time strategy adjustment.

C. Limitations of Personal Selling

Limitation	Explanation
1. Expensive	High cost per contact — salary, travel, training, incentives. Much more expensive than advertising per person reached.
2. Narrow reach	One salesman can meet a limited number of customers. Cannot reach millions simultaneously like advertising.
3. Labour intensive	Requires a large, trained, and managed sales force — difficult to scale.
4. Image problem	Some buyers perceive salespeople as pushy or manipulative — resistance to personal selling.

D. Qualities of a Good Salesman — CBSE Favourite

This is a **very frequent 4-5 mark question**. Know at least 6 qualities clearly.

1. Physical qualities

Explanation: Good health, pleasing personality, smart appearance, confident posture, clear voice. A salesperson is the company's representative — first impression matters.

> **EXAMPLE**
>
> A pharmaceutical sales rep visiting a doctor must look professional and trustworthy.

2. Mental qualities

Explanation: Sharp intelligence, quick thinking, creativity, excellent memory. Must understand customer psychology and adapt quickly.

> **EXAMPLE**
>
> A tech salesperson must understand both the technical specs AND the customer's business need to present the right solution.

3. Initiative and self-confidence

Explanation: Must take initiative to approach potential customers and handle rejections without losing confidence.

> **EXAMPLE**
>
> A good life insurance agent approaches 10 new prospects a week without waiting to be invited.

4. Knowledge of product and company

Explanation: Must know the product inside-out — features, pricing, warranty, installation, competition. Must know company history, policies, and values.

> **EXAMPLE**
>
> A car salesman who cannot explain fuel economy or financing options will lose the customer.

5. Knowledge of customer

Explanation: Must understand the customer's needs, motivations, buying behaviour, and objections before crafting the pitch.

> **EXAMPLE**
>
> A wealth manager selling mutual funds must understand a client's risk appetite and financial goals before recommending funds.

6. Honesty and integrity

Explanation: Must never make false claims about the product. Long-term sales success is built on trust.

> **EXAMPLE**
>
> A salesman who exaggerates product benefits may close one sale but loses the customer forever — and their entire network.

7. Communication skills

Explanation: Clear, fluent, persuasive speaking. Active listening. Ability to ask the right questions and understand the answer.

> **EXAMPLE**
>
> A great salesperson listens 60% of the time and speaks 40% — they understand the customer before pitching.

8. Persistence and patience

Explanation: Sales often require multiple visits before closure. A good salesman is patient, follows up regularly, and never gives up after one rejection.

> **EXAMPLE**
>
> High-value B2B deals may take 6-18 months and 20+ meetings before closure.

MEMORY TRICK

Memory trick — "P-M-I-K-K-H-C-P":

P — Physical qualities

M — Mental qualities

I — Initiative and self-confidence

K — Knowledge of product and company

K — Knowledge of customer

H — Honesty and integrity

C — Communication skills

P — Persistence and patience

Recall: "Please Make It Known — Keep Handling Customers Persistently."

Topic 10 Sales Promotion

DEFINITION

Sales promotion refers to short-term incentives or activities offered to customers, retailers, or dealers to encourage immediate purchase or sales of a product.

Key features: Short-term. Creates urgency. Supplements advertising and personal selling. Targets customers, dealers, OR the sales force.

A. 10 Tools / Techniques of Sales Promotion (for Consumers)

CBSE often asks **'Explain any four/five tools of sales promotion with examples'.** Know all 10.

Tool	Meaning	Indian Example
1. Rebate	Offering a product at a special lower price for a limited period.	Diwali sale: Washing machine at ₹18,999 instead of ₹24,999 for 5 days only.
2. Discount	Reduction in the listed price — available immediately at point of sale.	'Flat 30% off on all winter clothing' at Zara.
3. Refunds	Money-back offers if the product doesn't satisfy — encourages trial.	'If not satisfied, return within 30 days for full refund' on Amazon.
4. Product combination / Bundling	Offering additional products along with the main product at no extra cost.	'Buy Colgate toothpaste, get toothbrush free.' 'Buy Harpic, get Lizol free.'
5. Lucky draw	Customers purchase to become eligible for a random prize draw.	'Buy any Pepsi, scratch and win — prizes worth ₹5 crore.' (Pepsi campaigns)
6. Contests / Competitions	Skill-based competitions where customers participate and winners get prizes.	'Write the best slogan for Fevicol in 10 words — winner gets ₹1 lakh.'
7. Quantity gift / Bonus pack	Extra quantity of the same product at the same price.	'Lays 80g pack for the price of 50g.' '25% extra free' — Dove shampoo.
8. Instant draw and assigned gift	Customer gets a guaranteed gift immediately on purchase.	'Scratch the card and win: Mobile phone / Watch / ₹10 cash back — guaranteed winner every time.'
9. Full finance @ 0%	Product offered on EMI with no interest charged.	'Buy iPhone 15 at ₹0 down payment, ₹5,000 per month for 24 months — total cost = MRP.' (EMI on credit card, interest absorbed by company)

Tool	Meaning	Indian Example
10. Free samples	Free product given to potential customers to try — usually for new product launch.	Shampoo sachets distributed door-to-door when a new Pantene variant is launched. Free Maggi masala samples in packets.

MEMORY TRICK

Trick for 10 sales promotion tools — group them:

Price-based (4): Rebate, Discount, Refunds, Full finance @ 0%

Product-based (3): Product combination (bundling), Quantity gift (bonus pack), Free samples

Chance/Skill-based (3): Lucky draw, Contests, Instant draw

Topic 11 Public Relations (PR)

DEFINITION

Public Relations refers to the deliberate, planned, and sustained effort to establish and maintain mutual understanding between an organisation and its public — to build, maintain, and protect the company's image.

Simple: PR = managing the company's REPUTATION with everyone who matters — customers, investors, media, government, employees, community.

A. Role of PR

- Builds and maintains a positive image of the company.
- Handles negative publicity (crisis management) — damage control when something goes wrong.
- Informs and educates the public about the company's products, policies, and social contributions.
- Supports marketing by creating a favourable environment in which advertising and selling can be effective.
- Relationship building with media, government, NGOs, and community groups.

B. Methods of PR

PR Method	Meaning	Example
Press releases	Company sends news stories to media for publication — free publicity.	Infosys announcing a new AI product — media coverage in ET, Hindu Business Line.
Press conferences	Company holds media events to make announcements.	IPL franchise press conference announcing new team captain.
Corporate social responsibility (CSR)	Supporting social causes — education, environment, community health.	Tata's hospitals and schools; Wipro's education foundations.
Sponsorships	Funding events, sports teams, or cultural activities.	Dream11 as title sponsor of IPL. Byju's sponsoring Indian Cricket team kit.
Events and experiences	Hosting or participating in events to build brand visibility.	Amul Taste of India events; Amazon India Prime Day activations.

EXAMPLE

Why PR is different from Advertising: When a journalist writes a positive story about a company — that is PR (earned media). When the company pays for a TV ad — that is advertising (paid media). PR is generally MORE credible than advertising because it is not 'paid for'.

Section 7 Critical Difference Tables

7.1 Advertising vs Personal Selling — Most Important Table in This Chapter

This appears **almost every year in CBSE board exam** as a 4-5 mark question. Know ALL 8 bases of difference.

Basis	Advertising	Personal Selling
Meaning	Paid, non-personal promotion through mass media.	Face-to-face oral communication with a prospective customer.
Nature	Non-personal — no direct human contact.	Personal — involves direct human interaction.
Reach	Very wide — reaches millions simultaneously.	Narrow — one or few customers at a time.
Cost per contact	Very low (crores of people at low per-person cost).	Very high (one salesman = one contact = high cost).
Flexibility	Rigid — same message to all; cannot adapt to individual.	Highly flexible — can tailor message to each customer.
Feedback	Delayed — no immediate response.	Immediate — customer reacts in real time.
Persuasion	Low — customer can ignore.	High — human interaction is more convincing.
Relationship building	Cannot build personal relationships.	Excellent for building long-term customer relationships.
Suitable for	Mass market consumer goods (FMCG).	Industrial goods, high-value items, complex products.
Example	Amul butter TV commercial seen by 10 crore viewers.	LIC agent visiting a family home to sell a term plan.

7.2 Marketing vs Selling (Condensed — Quick Reference)

Basis	Marketing	Selling
Start point	Starts with the market (customer needs).	Starts with the product (factory).
Focus	Customer satisfaction.	Profit through persuasion.
Scope	Broad — 4Ps.	Narrow — persuasion only.

Basis	Marketing	Selling
Time horizon	Long-term.	Short-term.
Customer view	Customer is king.	Customer is a target.

Section 9 All Memory Tricks at One Place

Topic	Trick	Expansion
4Ps of Marketing Mix	P-P-P-P	Product, Price, Place, Promotion
7 factors — Pricing	C-D-C-P-G-M-D	Cost, Demand, Competition, Pricing objective, Govt, Marketing methods, Differentiation
Distribution channels	0-1-2-3	Zero level (direct), One level, Two level, Three level
4 elements of Promotion Mix	A-P-S-P	Advertising, Personal Selling, Sales Promotion, Public Relations
5 features of Advertising	P-N-I-P-F	Paid, Non-personal, Identified sponsor, Persuasive, Flexible
10 Sales Promotion tools (grouped)	Price / Product / Chance	Rebate+Discount+Refund+Finance / Bundle+Bonus+Sample / Lucky draw+Contest+Instant draw
8 qualities of Salesman	P-M-I-K-K-H-C-P	Physical, Mental, Initiative, Knowledge of product, Knowledge of customer, Honest, Communication, Persistence

Section 10 Case Study Practice

Case Study 1 — Easy (Identify the Marketing Mix Element)

CASE STUDY

Case: 'ZapFresh' is a new online grocery startup. It has launched organic vegetables in eco-friendly packaging (biodegradable bags with a 'ZapFresh' logo). It sells at 15% above regular vegetables. It delivers only to customers who order through its app. It offers a 'Buy 5 kg, Get 500g free' deal for the first month. It ran an Instagram campaign with food bloggers.

Q: Identify the 4P elements in the case.

Answer:

(a) **Product:** Organic vegetables in eco-friendly biodegradable packaging with ZapFresh logo (branding + packaging).

(b) **Price:** 15% premium above regular vegetables (premium pricing / product differentiation pricing).

(c) **Place:** Delivery only through the ZapFresh app (direct/zero-level digital channel).

(d) **Promotion:** 'Buy 5kg, get 500g free' = Sales Promotion (Quantity gift / Bonus pack). Instagram food bloggers = Advertising (digital influencer marketing).

Keywords: product, price, place, promotion, marketing mix, branding, packaging, sales promotion, digital marketing.

Case Study 2 — Moderate (Advertising vs Personal Selling)

CASE STUDY

Case: 'Sunrise Health Insurance' sells two products: (A) A low-premium basic health cover for the mass market (₹5,000/year). (B) A high-value corporate health plan for companies (₹50 lakh/year for 500 employees). For product A, Sunrise runs TV and radio ads. For product B, dedicated relationship managers meet HR heads personally at companies.

Q1: Identify the promotion method used for each product and give reasons for the choice.

Q2: Explain any three differences between these two methods of promotion.

Answer Q1:

Product A → **Advertising** (TV + radio) — because the target is the mass market (millions of individuals). Low premium product needs wide reach at low cost per contact. Advertising is perfect.

Product B → **Personal Selling** (dedicated relationship managers) — because the product is complex, high-value, and requires customised understanding of each company's needs. Only personal selling can build the trust and customise the pitch required for a ₹50 lakh deal.

Answer Q2 — Three key differences:

(i) **Reach vs Depth:** Advertising reaches millions. Personal selling reaches one person deeply.

(ii) **Cost:** Advertising has very low cost per contact. Personal selling has very high cost per contact.

(iii) **Flexibility:** Advertising is rigid (same ad for all). Personal selling is highly flexible (message tailored to each HR head's company's needs).

Keywords: advertising, personal selling, reach, cost, flexibility, mass market, industrial goods, customised.

Case Study 3 — Difficult / HOTS (Marketing vs Selling + Objections to Advertising)

CASE STUDY

Case: Mr. Gupta manufactures AC water purifiers. Until 2022, he had only one model, priced at ₹12,000, sold through 5 dealers in Ahmedabad city. He spent nothing on advertising — his sales team pushed whoever walked into the showroom. Sales were declining. In 2023, he hired a marketing consultant who: (1) researched customer complaints and found people wanted smaller, portable purifiers; (2) launched a ₹7,999 compact model; (3) tied up with 50 dealers across Gujarat; (4) ran YouTube ads and offered a 'Free home demo' promotion. Sales tripled in 6 months.

Q1: Was Mr. Gupta's 2022 approach marketing or selling? Give reasons.

Q2: Identify the specific changes made in each of the 4Ps.

Q3: A customer argues: 'The YouTube ads added to Mr. Gupta's costs and made the purifier expensive.' Respond to this objection.

Answer Q1: Mr. Gupta's 2022 approach was **SELLING, not marketing.** He started with a ready product (not researched from customer needs). He pushed it through dealers without understanding WHY sales were declining. No market research, no product adaptation, no integrated promotion — classic selling orientation.

Answer Q2 — 4P changes:

(a) **Product:** Researched customer complaints → launched compact ₹7,999 model. (Changed based on market need — now marketing.)

(b) **Price:** Reduced from ₹12,000 to ₹7,999 for the new model — accessible to a wider segment.

(c) **Place:** Expanded from 5 dealers in Ahmedabad to 50 dealers across Gujarat — wider distribution.

(d) **Promotion:** Launched YouTube ads (advertising) + Free home demo (sales promotion/personal selling). From zero promotion to integrated promotion mix.

Answer Q3 — Answering the objection to advertising: Advertising raised awareness → sales tripled → higher volume → lower per-unit cost → the price can actually go DOWN despite the ad cost. This is a classic objection to advertising: 'adds to cost'. The correct answer: advertising increases demand which increases volume which reduces per-unit fixed cost — net effect is often LOWER, not higher, cost per unit for the consumer.

Keywords: marketing orientation, selling orientation, 4Ps, advertising objection, cost per unit, volume.

Section 11 Exam-Oriented Questions & Answers

A. One-mark Questions

Q1. Define marketing in one line.

Ans. Marketing is a social and managerial process by which individuals and groups obtain what they need through creating, offering, and exchanging products of value.

Q2. What is the Marketing Mix?

Ans. The combination of Product, Price, Place, and Promotion decisions made by a marketer to satisfy customers in the target market.

Q3. What is branding?

Ans. The process of giving a product a unique name, sign, symbol, or design to identify it and distinguish it from competitors.

Q4. Name the four elements of the Promotion Mix.

Ans. Advertising, Personal Selling, Sales Promotion, and Public Relations.

Q5. What is a 'zero-level' channel of distribution?

Ans. When the producer sells directly to the consumer without any middlemen. Also called the direct channel.

Q6. What is 'sales promotion'?

Ans. Short-term incentives designed to encourage immediate purchase of a product.

Q7. Give one tool of sales promotion.

Ans. Free samples / Lucky draw / Discount / Rebate / Product combination (any one).

Q8. What is personal selling?

Ans. Face-to-face oral communication between a salesperson and a prospective customer to persuade them to buy.

B. Three-mark Questions

Q1. Distinguish between advertising and personal selling on any three bases.

Ans. (i) Nature: Advertising is non-personal (mass media); personal selling is personal (face-to-face).

Ans. (ii) Cost: Advertising has very low cost per contact (reaches millions cheaply); personal selling has very high cost per contact (one salesman, one customer).

Ans. (iii) Flexibility: Advertising is rigid (same message for all); personal selling is highly flexible (tailored to individual customer).

Q2. Explain any three factors affecting the pricing decision.

Ans. (i) Cost of production — the price must cover production costs and provide a desired profit margin. Price cannot be permanently set below cost.

Ans. (ii) Competition — in a highly competitive market, prices must be competitive. New entrants often use penetration pricing to undercut established players.

Ans. (iii) Government regulations — in some industries, prices are regulated by law (e.g. essential medicines by NPPA). Businesses must price within legal limits.

Q3. Explain any three tools of sales promotion.

Ans. (i) Free samples — free products given to potential customers to encourage trial. Used during new product launch. Example: Pantene sachet distributed door-to-door.

Ans. (ii) Discount — reduction in the listed price at point of sale. Creates immediate purchase motivation. Example: '30% flat off on all Zara winter clothing'.

Ans. (iii) Lucky draw — customers purchase the product to become eligible for a random prize. Creates excitement and urgency. Example: Pepsi scratch-and-win campaigns.

C. Five & Six-mark Questions

Q1. Distinguish between marketing and selling on any five bases.

Ans.

• **Starting point:** Marketing starts with market research (customer needs). Selling starts with a ready product from the factory.

• **Focus:** Marketing focuses on customer satisfaction and long-term relationships. Selling focuses on transferring ownership of the product for immediate profit.

• **Scope:** Marketing is broad — covers product, price, distribution, and promotion. Selling is narrow — primarily covers persuasion and transaction.

• **Time horizon:** Marketing has a long-term perspective — building brand loyalty. Selling is short-term — complete the current transaction.

• **Customer view:** In marketing, the customer is king — business serves customer needs. In selling, the customer is a target to be convinced.

Q2. Explain any five qualities of a good salesman.

Ans.

• **Physical qualities:** Good health, pleasing personality, and confident appearance — the salesperson represents the company.

• **Mental qualities:** Sharp intelligence and quick thinking to understand customer psychology and adapt pitch on the fly.

• **Knowledge of product:** Must know the product thoroughly — features, price, warranty — to answer any customer question confidently.

• **Communication skills:** Must speak clearly and persuasively, listen actively, and ask the right questions to uncover customer needs.

• **Honesty and integrity:** Long-term sales success requires trust. A dishonest salesperson may close one sale but loses future business.

Q3. What is advertising? Explain any three objections to advertising with answers.

Ans. Advertising is any paid form of non-personal promotion of ideas, goods, or services by an identified sponsor through mass media.

Objections and Answers:

(i) **Adds to cost** → Advertising increases sales volume → higher volume lowers per-unit cost. Competition among advertisers also prevents price escalation.

(ii) **Misleads buyers** → Misleading advertising is illegal under Consumer Protection Act and ASCI code. Reputed brands cannot afford to mislead — market self-corrects.

(iii) **Creates monopoly of big firms** → Digital platforms (Instagram, YouTube) enable small businesses to advertise at very low budgets, actually helping new entrants challenge big brands.

D. MCQs

Q1. Marketing starts with —

(a) The product

(b) The factory

(c) Customer needs and market research

(d) Sales targets

Ans. (c) Customer needs and market research.

Q2. Which is NOT an element of the marketing mix?

(a) Product

(b) People

(c) Price

(d) Place

Ans. (b) People — the 4Ps are Product, Price, Place, Promotion. ('People' is sometimes added in services marketing as a 5th P, but it is not in the CBSE syllabus as a core element.)

Q3. 'Buy 1 Get 1 Free' is an example of —

(a) Advertising

(b) Personal Selling

(c) Public Relations

(d) Sales Promotion

Ans. (d) Sales Promotion — specifically 'Product combination / bundling'.

Q4. The two-level channel of distribution consists of —

(a) Producer → Consumer

(b) Producer → Retailer → Consumer

(c) Producer → Wholesaler → Retailer → Consumer

(d) Producer → Agent → Wholesaler → Retailer → Consumer

Ans. (c) Producer → Wholesaler → Retailer → Consumer.

Q5. Advertising is different from Personal Selling because advertising is —

(a) Personal

(b) Flexible

(c) Non-personal

(d) Expensive per contact

Ans. (c) Non-personal — advertising reaches a mass audience through media without face-to-face contact.

Section 12 Board Exam Answer Writing Guide

Case-study trigger table — identify the element quickly

If case says...	Concept / Element
Product design, brand name, logo, packaging, label	Product (1st P)
Price, discount, EMI, pricing strategy, MRP	Price (2nd P)
How product reaches customer, retailers, dealers, online	Place / Channel of Distribution (3rd P)
TV ad, newspaper ad, YouTube, Instagram	Advertising — part of Promotion (4th P)
Salesperson visiting customer, direct conversation, meeting	Personal Selling — part of Promotion
Buy 1 Get 1, free sample, discount coupon, lucky draw	Sales Promotion — part of Promotion
CSR, press release, media coverage, event sponsorship	Public Relations — part of Promotion
Customer needs research → product development	Marketing orientation
Ready product being pushed to customers by salespeople	Selling orientation
Starts with factory / product first, customer second	Selling (not marketing)

EXAM TIP

How to write a 6-mark difference question (Advertising vs Personal Selling):

Step 1: Write 'Introduction — one line on each concept.'

Step 2: Create a table with 6 bases of difference. Use the table in Section 7.1.

Step 3: Close: 'Both are important. Advertising builds awareness at scale; personal selling converts interested prospects into buyers.'

Pro tip: CBSE examiners look for (a) number of bases, (b) correct explanation per base, (c) example for at least 2 bases. Cover all three.

Section 13 Common Doubts Students Ask

Doubt 1: Sir, is advertising part of marketing or separate?

Smit Sir's answer: Advertising is ONE ELEMENT of Promotion, which is ONE of the 4Ps, which are all part of Marketing. So advertising is INSIDE marketing, not separate from it. Many students think marketing = advertising. Wrong. Marketing is much broader.

Doubt 2: Sir, what is the difference between a brand name and a trademark?

Smit Sir's answer: Brand name = the word or phrase used to identify the product ('Amul', 'Nike'). Trademark = the LEGAL protection of a brand name or symbol — once registered, no other company can use it. A brand name can exist without trademark registration, but registration gives legal protection.

Doubt 3: Sir, in the distribution channel, what is the difference between agent, wholesaler, and retailer?

Smit Sir's answer: Agent = negotiates sale on behalf of producer (does not own the goods). Wholesaler = buys in BULK from producer and sells in smaller quantities to retailers. Retailer = sells in SMALL quantities directly to the final consumer.

Doubt 4: Sir, how is sales promotion different from advertising?

Smit Sir's answer: Advertising = persuades customers to WANT the product (long-term attitude change). Sales promotion = gives an incentive to BUY RIGHT NOW (short-term push). Advertising builds desire; sales promotion converts desire into purchase.

Doubt 5: Sir, is packaging part of Product or Promotion?

Smit Sir's answer: Packaging is part of the PRODUCT decision in CBSE. It is listed under Product because it physically encases the product. However, packaging also acts as a promotional tool (silent salesman on the shelf). For CBSE — always write packaging under Product.

Doubt 6: Sir, is 'public relations' the same as advertising?

Smit Sir's answer: No. Advertising is PAID — company pays for space/time. Public relations earns media coverage WITHOUT paying — through press releases, events, CSR. PR is more credible because it's not obviously paid-for.

Doubt 7: Sir, when does a company use Personal Selling over Advertising?

Smit Sir's answer: Use Personal Selling when: product is complex and technical (industrial machinery), product is high-value (life insurance, real estate), customer needs are very specific, market is small and geographically concentrated. Use Advertising when: product is simple, mass market, low cost, needs to reach millions.

Doubt 8: Sir, what is the difference between Rebate and Discount?

Smit Sir's answer: Discount = immediate price reduction at the point of sale (applicable to current listed price). Rebate = special price offered for a LIMITED PERIOD — usually a promotional price below the regular price. Both reduce the effective price, but rebate implies a time-limited special offer.

Doubt 9: Sir, can advertising be free?

Smit Sir's answer: Advertising by definition is PAID. Free promotion through media = Publicity (part of PR). If a news channel runs a story about your product without you paying = publicity. If you pay for an ad slot = advertising. 'Publicity' and 'advertising' are different.

Doubt 10: Sir, what does 'identified sponsor' mean in advertising definition?

Smit Sir's answer: Identified sponsor means the company paying for the advertisement is clearly known — their name, logo, or brand appears in the ad. Unlike propaganda or word-of-mouth, in advertising you always know WHO is trying to persuade you.

Section 14 Common Mistakes to Avoid

Mistake 1: Treating advertising as the whole of marketing

What students do wrong: 'Marketing is the process of advertising and selling products.'

Why it is wrong: Marketing includes product design, market research, pricing, distribution, promotion (of which advertising is one part), and after-sales. Advertising is a tiny slice of marketing.

Correct way: Always define marketing as: 'identifying customer needs and satisfying them through the 4Ps: product, price, place, and promotion.'

Mistake 2: Confusing 'two-level' and 'three-level' distribution channels

What students do wrong: 'Two-level: Producer → Wholesaler → Retailer → Consumer (three boxes, so two-level).' Wrong counting.

Why it is wrong: The 'level' refers to the NUMBER OF MIDDLEMEN, not the number of participants. Two-level = 2 middlemen (wholesaler + retailer).

Correct way: Zero level = 0 middlemen. One level = 1 middleman (retailer). Two level = 2 middlemen (wholesaler + retailer). Three level = 3 middlemen (agent + wholesaler + retailer).

Mistake 3: Writing Marketing vs Selling differences without specific triggers

What students do wrong: 'Marketing is better than selling.' — vague, generic answer.

Why it is wrong: CBSE wants specific bases: start point, focus, scope, time horizon, approach, customer view.

Correct way: Always write differences in a TABLE format with at least 5-6 specific bases. Never write in general prose.

Mistake 4: Confusing features of advertising with merits

What students do wrong: Writing 'paid form' as a merit of advertising.

Why it is wrong: 'Paid form' is a FEATURE (what it IS). Merit = what it DOES WELL. Paid form is not a merit — it's just a characteristic.

Correct way: Features: Paid, Non-personal, Identified sponsor, Persuasive, Flexible. Merits: Mass reach, Low cost per contact, Expressiveness, Introduces new products.

Mistake 5: Not including the 'counter-argument' for advertising objections

What students do wrong: Listing only the objection: '(1) Adds to cost. (2) Misleads buyers. (3) Creates monopoly.'

Why it is wrong: CBSE specifically asks for 'objections AND answers'. Just listing objections = incomplete answer.

Correct way: For every objection write: Objection (1 line) → Answer/Counter-argument (1-2 lines). Both parts are essential for full marks.

Mistake 6: Confusing Rebate with Discount

What students do wrong: 'Rebate and discount are the same thing.'

Why it is wrong: Discount = immediate price cut at point of sale. Rebate = special lower price for a LIMITED time. Conceptually similar but not identical in CBSE context.

Correct way: Use both in answers — 'rebate' and 'discount' are counted as separate tools of sales promotion.

Section 15 Keywords Bank

Topic	Must-use Keywords
Marketing	customer needs, satisfy, exchange, integrated, long-term, market research, value, 4Ps
Marketing vs Selling	start point, product vs market, customer satisfaction vs profit, long-term vs short-term, customer is king vs target
Product	tangibility, durability, branding, brand name, brand mark, packaging, primary/secondary/transport, labelling, MRP, FSSAI
Price	cost of production, demand, competition, pricing objective, government, marketing methods, product differentiation
Place / Distribution	channel of distribution, zero level, one level, two level, three level, direct, wholesaler, retailer, agent, physical distribution
Advertising	paid form, non-personal, mass media, identified sponsor, persuasive, reach, low cost per contact, expressiveness
Personal Selling	face-to-face, oral communication, flexibility, immediate feedback, relationship building, high cost per contact
Sales Promotion	short-term incentives, rebate, discount, free samples, lucky draw, product combination, quantity gift, contests
Public Relations	image, reputation, press release, CSR, sponsorship, earned media, credibility

Section 16 Quick Revision Notes

QUICK REVISION

Marketing: Identifying needs → satisfying through 4Ps → profitably. Starts from MARKET (not factory). Long-term.

Selling: Converting ready product to money through persuasion. Starts from FACTORY. Short-term.

4Ps: Product (what) + Price (how much) + Place (where) + Promotion (how you tell).

Product sub-topics: Branding (name/logo), Packaging (primary/secondary/transport), Labelling (MRP, ingredients, expiry).

7 Price factors: C-D-C-P-G-M-D → Cost, Demand, Competition, Pricing objective, Govt, Marketing methods, Differentiation.

Distribution channels: 0 level (direct) → 1 level (+ retailer) → 2 level (+ wholesaler) → 3 level (+ agent).

4 Promotion elements: Advertising + Personal Selling + Sales Promotion + Public Relations.

Advertising: Paid, non-personal, mass media. Wide reach, low cost/contact, no flexibility, no direct feedback.

Personal Selling: Face-to-face, personalised, flexible, immediate feedback. High cost/contact, narrow reach.

Sales Promotion tools (10): Rebate, Discount, Refund, Product combo, Lucky draw, Contest, Quantity gift, Instant draw, 0% finance, Free samples.

PR: Non-paid earned media — press releases, CSR, events, sponsorships.

Section 17 One-Page Last-Minute Revision Sheet

Read this on exam day. Nothing else.

Chapter in one paragraph

Marketing is identifying customer needs and satisfying them profitably through the **4Ps: Product, Price, Place, Promotion**. Marketing ≠ Selling — marketing starts from the **market**; selling starts from the **factory**. Products are classified by durability, tangibility, and end-use. **Branding, Packaging, Labelling** are product sub-decisions. **7 factors affect price** (C-D-C-P-G-M-D). Distribution has **4 channel levels (0-1-2-3)**. Promotion Mix has **4 elements: Advertising** (paid, non-personal, mass media) + **Personal Selling** (face-to-face, flexible, expensive) + **Sales Promotion** (10 short-term tools) + **Public Relations** (earned media, image management).

5 must-remember lines

13. Marketing = market first, product second. Selling = product first, customer second.
14. Advertising = paid, non-personal, mass media. Personal Selling = face-to-face, flexible, expensive.
15. Two-level channel = Producer → WHOLESALER → RETAILER → Consumer (2 middlemen).
16. Sales Promotion = short-term incentives to encourage IMMEDIATE purchase (not long-term awareness).
17. Advertising objection: 'Adds to cost' → Answer: Higher volume from advertising → lower per-unit cost.

Quick case-study identification table

If case says...	Element
TV ad, newspaper ad, YouTube, Instagram ad	Advertising
Salesperson visits customer / face-to-face	Personal Selling
Buy 1 Get 1 / Free sample / Lucky draw	Sales Promotion
Press release / CSR / event sponsorship	Public Relations
Direct to consumer / no middleman	Zero-level channel
Wholesaler + Retailer involved	Two-level channel
Product design / brand / packaging / label	Product (1st P)
Customer says product is expensive / cheap	Price (2nd P)

Section 18 How Smit Sir Can Teach This Chapter

1. Opening hook

Hold up a pen (or any object). Ask: 'If I gave you 1 crore pens and told you to sell them to people who already have 50 pens each — what would you do?' Each student's answer (lower price / new design / give free with notebooks / advertise on Instagram / sell on Amazon) maps to one of the 4Ps. Every answer IS this chapter. Reveal that connection. They're hooked.

2. Best Indian examples by topic

Topic	Best Indian Teaching Example
Marketing vs Selling	Jio vs HMT watches — Jio researched what India needed (cheap data) → designed around it. HMT made watches → kept pushing a dying product → closed.
Branding	Amul girl — same logo 55+ years. That consistency = ₹50,000 crore brand value. Ask: 'Why does your mother buy only Amul butter and not the cheaper brand?'
Packaging as promotion	Compare Maggi's iconic yellow packaging vs a generic noodle brand. Ask: 'What would happen if Nestle changed Maggi's packaging to black?' Students understand packaging power instantly.
Distribution channels	Parle-G: available in 6 million outlets across India — even in villages with no road. That is two-level distribution mastery. Contrast with Apple's 7 experience stores — zero-level/premium retail.
Advertising objections	'Did the IPL sponsorship add to the product cost?' — Address the common belief that advertising = expensive product. Explain volume economics.
Sales Promotion tools	Create a 5-minute treasure hunt — hide 10 sales promotion examples in daily life (Maggi pack, a coupon, a scratch card). Students physically find and name them.

3. Classroom activity — '4P Analysis'

Task: Give each group of 4 students one product: Amul Ice Cream, Patanjali Chyawanprash, Jio SIM card, Zomato Gold subscription, and Hero bike. Ask each group to analyse and present the 4Ps of their product (10 minutes of preparation, 2 minutes of presentation). By the end of the class, the entire chapter is covered practically.

4. Board exam focus areas

- Marketing vs Selling — 5/6-mark difference table (appears almost every year)
- Advertising vs Personal Selling — 5-mark difference table (very frequent)
- Objections to advertising + answers — 5/6-mark question
- Qualities of a good salesman — 4/5-mark question
- Sales promotion tools — 4-mark 'explain any four' question

- Factors affecting pricing — 4/5-mark question
- Channels of distribution — 4-mark with diagram question

5. How to end the chapter powerfully

"Every brand you trust was built by someone who understood this chapter. Amul, Jio, Apple, Patanjali — their success is not luck. It is Product + Price + Place + Promotion done brilliantly. This chapter gives you the language of business that every CEO, every entrepreneur, every marketer thinks in. Learn it well — not just for board exam, but because you will use this for life."

End of Chapter 11

"Marketing is too important to be left to the marketing department." — David Packard, Co-founder, HP

Know your customer. Serve them better. Win the market.

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