

**Tribhuvan University**  
**B.B.S. (4 Yrs.)/ III Year / MGMT**  
**MKT 214, New Course**

**Fundamentals of Marketing**

**Year: 2082**

**Full Marks: 100**

**Time: 3 hrs.**

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Candidates are required to give their answers in their own words as far as practicable.

*The figures in the margin indicate full marks.*

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**Group "A" – Brief Answer Questions**

**Attempt ALL questions.**  
**[10 x 2 = 20 Marks]**

1. Define marketing. (बजारशास्त्र के हो ? व्याख्या गर्नुहोस्।)

Answer: Marketing is the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to satisfy customer needs and wants profitably.

2. Give the meaning of customer satisfaction. (ग्राहक सन्तुष्टि भन्नाले के बुझिन्छ?)

Answer: Customer satisfaction refers to the degree to which a product or service meets or exceeds customer expectations.

3. Point out any five areas of marketing research. (बजारशास्त्र अनुसन्धानका पाँच क्षेत्रहरू उल्लेख गर्नुहोस्।)

Answer:

- Product research
- Consumer behavior research
- Pricing research
- Promotion research
- Distribution research

4. What are the components of macro environment? (बृहत वातावरणका तत्वहरु के-के हुन्?)

Answer:

- Demographic environment
- Economic environment
- Political and legal environment
- Socio-cultural environment
- Technological environment

5. Give the meaning of e-procurement. (इ-खरिद भन्नाले के बुझिन्छ?)

Answer: E-procurement is the process of purchasing goods or services using electronic methods, primarily through the internet.

6. What is concentrated marketing? (केन्द्रित बजारशास्त्र भन्नाले के बुझिन्छ?)

Answer: Concentrated marketing is a marketing strategy where a firm targets a large share of one or a few sub-markets instead of going after a small share of a large market.

7. List out the various levels of product. (उत्पादनका विभिन्न तहहरु उल्लेख गर्नुहोस्।)

Answer:

- Core product
- Actual product
- Augmented product

8. What is new product? (नयाँ उत्पादन भन्नाले के बुझिन्छ?)

Answer: A new product is a product that is new to the company, new to the market, or a modification of an existing product.

9. What are the external factors affecting pricing? (मूल्य निर्धारणमा असर पार्ने बाह्य कारकहरू के-के हुन्?)

Answer:

- Market demand
- Competitor pricing
- Economic conditions
- Government policies
- Customer expectations

10. Point out any four tools of consumer promotion. (उपभोक्ता प्रवर्द्धनका चारवटा उपकरणहरू उल्लेख गर्नुहोस्।)

Answer:

- ✚ Discount offers
- ✚ Free samples
- ✚ Buy-one-get-one-free
- ✚ Loyalty programs

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### Group "B" – Descriptive Answer Questions

Attempt any FIVE questions.

[5 x 10 = 50 Marks]

11. "Customer relationship management is perhaps the most important concept of modern marketing." Elaborate.

("ग्राहक सम्बन्ध व्यवस्थापन आधुनिक बाजारशास्त्रको सबैभन्दा महत्वपूर्ण अवधारणा हो।" व्याख्या गर्नुहोस्।)

Answer:

Customer Relationship Management (CRM) is a strategic process that focuses on building long-term, mutually beneficial relationships between a business and its customers. In the context of **modern marketing**, where customer retention is as vital as customer acquisition, CRM plays a central role.

#### 💡 Importance of CRM in Modern Marketing:

##### 1. Customer-Centric Approach:

Modern marketing is no longer product-focused but customer-focused. CRM ensures businesses understand customer preferences, behaviors, and expectations.

##### 2. Customer Retention:

Acquiring a new customer is 5x more expensive than retaining an existing one. CRM systems help maintain loyalty by ensuring timely communication, personalized offers, and quality service.

##### 3. Improved Customer Satisfaction:

By tracking feedback, purchases, and service history, companies can offer better services, increasing satisfaction and word-of-mouth referrals.

##### 4. Enhanced Personalization:

CRM tools allow businesses to segment the customer base and tailor messages, offers, and services according to individual needs.

##### 6. Data-Driven Decisions:

CRM collects valuable data that helps in predicting future buying behavior, identifying profitable customers, and designing targeted marketing strategies.

11. Describe the components of distribution mix under marketing mix.

(बजारशास्त्र मिश्रण अन्तर्गत वितरण मिश्रणका अवयवहरूको वर्णन गर्नुहोस्।)

**Answer:**

The **distribution mix**, also known as the **place mix**, is one of the four components of the **marketing mix (4Ps)**. It refers to the strategies and channels used to make the product or service available to the target customers at the right place and time.

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### Components of Distribution Mix:

#### 1. Channels of Distribution

These are the pathways through which goods/services flow from producers to consumers.

**Types:**

- Direct channels (e.g., company-owned stores, online)
- Indirect channels (e.g., wholesalers, retailers)

*Example: A manufacturer selling phones via Daraz (online) and retail stores (offline)*

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#### 2. Physical Distribution

This includes the actual movement of goods from the production site to the final consumer.

Key components:

- Transportation
- Warehousing
- Order processing

- Inventory control

*Efficient physical distribution ensures timely delivery and reduces logistics costs.*

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### **3. Transportation**

Transportation refers to the movement of goods using various modes:

- Road
- Rail
- Air
- Sea

Good transportation ensures product availability and cost-effectiveness.

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### **4. Warehousing**

Warehouses store goods until they are needed by customers. It helps in managing demand-supply fluctuations and ensures product availability.

 *For example, FMCG companies maintain multiple regional warehouses for quick delivery.*

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### **5. Inventory Management**

Maintaining the right level of stock to meet customer demand while minimizing costs.

Involves techniques like:

- Just-in-time (JIT)
  - Economic Order Quantity (EOQ)
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## 6. Logistics

Logistics covers the overall management of product flow, from procurement to delivery. It includes coordination among transportation, warehousing, and distribution.

12. Describe the consumer buying decision process.

(उपभोक्ताको खरिद निर्णय प्रक्रियाको वर्णन गर्नुहोस्।)

**Answer:**

The **consumer buying decision process** refers to the steps a customer goes through before, during, and after purchasing a product or service. Understanding this process helps marketers influence customer behavior and improve sales strategies.

### 5 Stages of Consumer Buying Decision Process:

#### 1. Problem Recognition (Need Awareness)

The process begins when a consumer realizes they have an unmet need or problem.

Example: Feeling cold → Need for a new jacket.

#### 2. Information Search

After recognizing the need, the consumer looks for options to solve the problem.

Sources of information include:



- Personal (friends, family)
- Commercial (advertisements, websites)
- Public (reviews, ratings)

Example: Searching online or asking friends about good jacket brands.

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### **3. Evaluation of Alternatives**

The consumer compares different products or brands based on:

- Price
- Quality
- Features
- Reviews

Example: Comparing jackets from North Face, Wildcraft, and Adidas.

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### **4. Purchase Decision**

After evaluating, the consumer chooses a product and makes the purchase.

However, the decision can still be influenced by:

- Peer pressure
- Discounts
- In-store experience

Example: Choosing North Face because of a limited-time discount.

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### **5. Post-Purchase Behavior**



After buying, the consumer evaluates whether the product met expectations.

They may feel:

- **Satisfaction** → leads to brand loyalty
- **Dissatisfaction** → leads to complaints or returns

Example: If the jacket keeps them warm and is durable, they're satisfied.

13. Explain the bases for segmenting international market.

(अन्तर्राष्ट्रिय बजार विभाजनका आधारहरूको व्याख्या गर्नुहोस्।)

**Answer:**

**Market segmentation** is the process of dividing a broad market into smaller, defined groups based on similar characteristics. In international marketing, segmentation helps companies customize their products, prices, and promotional strategies for diverse global markets.

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### **Bases for Segmenting International Markets:**

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#### **1. Geographic Segmentation**

Dividing the market based on **location**, such as:

- Continent (Asia, Europe)
- Country (India, Nepal)
- Region (South Asia, Western Europe)
- Climate (Tropical, Temperate)

Example: Selling snow boots only in colder countries.

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## 2. Demographic Segmentation

Segmentation based on measurable statistics like:

- Age
- Gender
- Income
- Education
- Occupation
- Family size

Example: High-end luxury watches targeted at high-income professionals in developed countries.

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## 3. Psychographic Segmentation

Dividing the market by **lifestyle, personality traits, and values**.

This approach understands deeper motivations behind customer choices.

Example: Eco-friendly products marketed to environmentally conscious consumers in Europe.

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## 4. Behavioral Segmentation

Segmenting based on **consumer behavior** such as:

- Purchase occasions
- Usage rate (light, medium, heavy users)

- Brand loyalty
- Benefits sought

Example: Frequent fliers receiving special offers from airlines.

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## 5. Economic Segmentation

Segmenting countries based on **economic development**, such as:

- Developed countries
- Developing countries
- Emerging economies

Example: Budget-friendly products in developing countries and premium products in developed markets.

14. Who is wholesaler? What are its types? Explain. [4 + 6]

(थोक व्यापारी भन्नाले के बुझिन्छ? यसको प्रकारहरु के-के हुन्? व्याख्या गर्नुहोस्।)

A **wholesaler** is a business or individual who purchases goods in large quantities from manufacturers or producers and resells them to retailers, industrial users, or other wholesalers — but not to final consumers. Wholesalers act as intermediaries in the distribution channel and help in the **bulk breaking, storage, and distribution** of goods. Example: A wholesaler buys 10,000 packets of noodles from the manufacturer and sells them in smaller lots to grocery stores.

 **Types of Wholesalers [6 Marks]**

## 1. Merchant Wholesalers

They take ownership of goods and perform all functions of wholesale, including storage and risk-bearing. *Example: A food wholesaler supplying goods to multiple retailers.*

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## 2. Agents and Brokers

They **do not take ownership** of goods. Instead, they bring buyers and sellers together and earn a **commission** on sales. *Example: Real estate brokers, export-import agents.*

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## 3. Manufacturers' Sales Branches and Offices

These are owned by manufacturers but operate like wholesalers to distribute products directly to retailers or industrial buyers. *Example: Samsung's own regional distribution offices.*

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## 4. Cash and Carry Wholesalers

They sell in bulk to small retailers or business buyers who pay in cash and arrange for their own transport. *Example: Metro Cash & Carry.*


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## 5. Truck Wholesalers

They deliver directly to customers (usually retailers) from trucks without a permanent warehouse. *Example: Beverage or snack delivery trucks.*

15. What is advertising? Why is advertising used by marketers? [4 + 6]

(विज्ञापन भन्नाले के बुझिन्छ? बजारकर्ताहरूले विज्ञापन किन प्रयोग गर्छन्?)

Advertising is a **paid, non-personal form of communication** used by businesses and organizations to promote their products, services, ideas, or brands to a large audience using mass media. It is a one-way communication method that is **sponsored by an identified entity** (such as a company or organization) and is intended to **inform, persuade, or remind** customers.  Example: Television ads, social media ads, newspaper ads, and billboard campaigns.

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### Why is Advertising Used by Marketers? [6 Marks]

#### 1. To Create Awareness

Advertising informs potential customers about new or existing products, services, and features. Example: Launch ads for a new smartphone.

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#### 2. To Persuade Customers

It aims to influence consumer behavior by persuading them to buy a product or switch brands. Emotional or comparative ads showing why one product is better than others.

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#### 3. To Build Brand Image

Advertising helps in establishing and reinforcing a strong brand identity in the minds of consumers. Example: Nike's "Just Do It" ads that reflect inspiration and action.

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#### 4. To Support Sales Promotion

Advertising works together with discounts, offers, and promotional campaigns to boost sales. “Buy One Get One Free” ads to attract more customers quickly.

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#### 5. To Reach a Large Audience

With advertising, marketers can deliver messages to **millions of people** across geographic areas at once. National TV ads during popular events like World Cup or Tihar festivals.

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#### 6. To Stay Competitive

Firms use advertising to remind customers about their brand in a competitive market environment. Continuous ads help a brand stay in the public eye and compete with rivals.

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### Group "C" – Analytical Answer Questions

Attempt any TWO questions.

[2 x 15 = 30 Marks]

17. Define marketing information system and explain the components of marketing information system. [5 + 10]

(बजारशास्त्र सूचना प्रणाली भन्नाले के बुझिन्छ? यसको प्रमुख अवयवहरूको व्याख्या गर्नुहोस्।)

A Marketing Information System (MIS) is a structured way for businesses to gather, analyze, store, and distribute information to support marketing decision-making. It helps marketers understand the market, customers, and competitors to make informed decisions and optimize marketing strategies. The key components of an MIS are internal records, marketing intelligence, marketing research, and a marketing decision support system

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## Components of a Marketing Information System:

### **1. Internal Records:**

This component includes data from within the company, such as sales records, cost data, inventory levels, and customer databases. Analyzing this data provides insights into past performance, current status, and potential areas for improvement.

### **2. Marketing Intelligence:**

This involves gathering information about the external marketing environment, including competitors, market trends, and customer behavior. This can be done through various methods like monitoring industry publications, attending trade shows, and analyzing competitor websites.

### **3. Marketing Research:**

This component focuses on specific marketing problems or opportunities. It involves conducting research studies to collect primary data through surveys, focus groups, or experiments. The findings are then used to develop or refine marketing strategies.

### **4. Marketing Decision Support System (MDSS):**

This component provides tools and techniques for analyzing data and making informed marketing decisions. It includes software, statistical packages, and other analytical tools to help marketers interpret data, forecast trends, and evaluate the effectiveness of marketing campaigns



18. What is product line? Discuss the product line strategies in the context of a consumer product. [5 + 10]

(उत्पादन रेखा भन्नाले के बुझिन्छ? उपभोक्ता उत्पादनको सन्दर्भमा उत्पादन रेखा रणनीतिहरूको व्याख्या गर्नुहोस्।)

A **product line** is a group of closely related products that are marketed under a single brand or sold by the same company. These products serve a similar function, target the same customer group, and fall within a similar price range. Example: The Colgate brand includes a product line of toothpastes, mouthwashes, and toothbrushes.

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### Product Line Strategies [10 Marks]

In the context of consumer products, companies use different product line strategies to capture market share, meet diverse customer needs, and stay competitive.

#### 1. Product Line Extension

Adding more items to an existing product line under the same brand.

- **Upward Stretching:** Introducing higher-priced, premium versions. *Example: Samsung launching a Galaxy Ultra model.*
- **Downward Stretching:** Introducing lower-priced, budget versions. *Example: Apple launching iPhone SE for cost-conscious users.*
- **Two-Way Stretching:** Adding both premium and budget products. *Example: A clothing brand offering basic and designer collections.*

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#### 2. Line Filling

Adding more items within the current price range to fill market gaps.

*Example: A juice company adding a mango flavor between existing orange and mixed fruit options.*

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### 3. Line Modernization

Updating the existing product line to match current trends and technology. *Example: A smartphone company launching a newer model every year with better features.*

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### 4. Line Pruning (Simplification)

Removing unprofitable or outdated items from the product line to focus on the best performers. *Example: A shampoo brand discontinuing underperforming variants.*

19. Give the concept of market logistics and describe the various components of market logistics. [5 + 10]

(बजार रसद व्यवस्थापनको अवधारणा स्पष्ट पार्नुहोस् र यसका विभिन्न अवयवहरूको वर्णन गर्नुहोस्।)

Marketing logistics, also known as physical distribution, is the process of planning, implementing, and controlling the efficient flow of goods, services, and related information from the point of origin to the point of consumption to meet customer requirements profitably. It encompasses various interconnected components that ensure products reach the customer at the right time, place, and in the desired condition

Components of Marketing Logistics:

### **1. Order Processing:**

This involves the steps from receiving a customer order to preparing it for shipment, including order entry, credit checking, and inventory allocation.

### **2. Inventory Management:**

This component focuses on balancing the need to hold sufficient inventory to meet demand while minimizing storage costs and obsolescence.

### **3. Warehousing:**

This involves the storage of goods, including decisions about the number and location of warehouses, their layout, and inventory management systems.

### **4. Transportation:**

This refers to the movement of goods from one location to another, considering factors like mode of transport, routes, and delivery schedules.

### **5. Materials Handling:**

This includes the movement of materials within a facility, such as from receiving to storage or from storage to production.

### **6. Packaging:**

This involves the design and use of packaging materials to protect products during storage and transportation, as well as to enhance their appeal to customers.

### **7. Information Management:**

This component focuses on capturing, processing, and disseminating information related to orders, inventory, transportation, and other logistical activities to ensure efficient operations and informed decision-making.

## **8. Customer Service:**

This involves providing support to customers before, during, and after the sale, including order tracking, returns processing, and handling inquiries

