CRACKTARGET
PROFESSIONAL SERIES
LEARN | PREPARE | EXCEL

CrackTarget
AIM • PREPARE • ACHIEVE

PRINCIPLES OF MARKETING MANAGEMENT

From Concepts to Confidence

A Comprehensive & Exam-Oriented Reference

Designed for academic and competitive examination preparation, with particular relevance to the UPSC DRDO SAO Examination, UGC-NET/JRF, SET/SLET, CUET-PG, UPSC Management Optional, MBA, BBA and B.Com examinations, as well as selected Management- and Commerce-based recruitment examinations conducted by regulatory and financial institutions.

SECOND EDITION · 2026

18 Chapters | 648 Original Examination-Style Questions
Full Explanations | Revision Maps

PEOPLE
MARKETS
BRANDS
VALUE
RELATIONSHIPS
GROWTH



CONCEPTS CLEAR | EXAM FOCUSED | PRACTICE READY | CAREER ENABLING

Published by CrackTarget Publications

CRACKTARGET PROFESSIONAL SERIES

PRINCIPLES OF
MARKETING MANAGEMENT

A Comprehensive & Exam-Oriented Reference

Designed for academic and competitive examination preparation, with particular relevance to the UPSC DRDO SAO Examination, UGC-NET/JRF, SET/SLET, CUET-PG, UPSC Management Optional, MBA, BBA and B.Com examinations, as well as selected Management- and Commerce-based recruitment examinations conducted by regulatory and financial institutions.

SECOND EDITION · 2026

18 Chapters · 648 Original Examination-Style Questions · Full Explanations · Revision Maps

Published by **CrackTarget Publications**
Website: www.cracktarget.com
Email: info@cracktarget.com

CRACKTARGET PUBLICATIONS
www.cracktarget.com

Copyright & Publication Information

Principles of Marketing Management
A Comprehensive & Exam-Oriented Reference

© 2026 CrackTarget Publications. All rights reserved.

Edition

Second Edition, 2026

This edition has been substantially revised and reorganised into eighteen chapters, with original examination-style questions, explanatory answer keys, revision maps and visual learning plates.

Intended use

Designed for academic and competitive examination preparation, with particular relevance to the UPSC DRDO SAO Examination, UGC-NET/JRF, SET/SLET, CUET-PG, UPSC Management Optional, MBA, BBA and B.Com examinations, as well as selected Management- and Commerce-based recruitment examinations conducted by regulatory and financial institutions.

It is a reference text, not a collection of coaching notes or reproduced previous-year papers.

Copyright notice

No part of this publication may be reproduced, stored, transmitted or distributed in any form without prior written permission of the publisher, except for brief quotations used for review, criticism or other purposes permitted by applicable law.

Examination-question notice

All practice questions in this volume are original examination-style questions created for instructional purposes. They are **not represented as official previous-year questions** and should not be cited as such.

Educational and legal disclaimer

This book is intended solely for educational purposes. Statutory provisions, regulatory references and public-policy references are presented as study material and should not be treated as legal advice or as a substitute for the current Act, Rules, Gazette notification, regulatory circular, official examination notification or professional advice.

Where a live examination question provides a specific statutory provision, notification, figure, date or numerical value, the wording and source used in that examination take precedence.

Framework attribution

Classical frameworks and concepts associated with authors and institutions including Kotler, McCarthy, Ansoff, Porter, Levitt, Aaker, Keller, Rogers, Perlmutter and others are used as teaching frameworks. Their inclusion does not imply endorsement by the respective authors, publishers or institutions.

Preface

Marketing management is often taught as a collection of definitions, models and four-letter frameworks. That approach can produce familiarity without understanding. A candidate may remember the four Ps, the stages of a buying process or the cells of a matrix and still miss the question because two neighbouring concepts have been treated as if they were the same.

This book takes a different approach.

It is built around **distinction**.

Marketing is separated from selling. Advertising is separated from promotion. A need is separated from a want, and a want from demand. A segment is separated from a target. A brand is separated from a trade mark. Satisfaction is separated from loyalty. Rural marketing is separated from agricultural marketing. A substitute is separated from a competitor. A dashboard is separated from an audit.

These distinctions are where examination questions often become difficult.

The book therefore moves from concept to application. Each chapter develops the central ideas, identifies their boundaries and limitations, connects them with relevant Indian contexts where useful, and then tests whether the distinction can survive an examination-style question.

The eighteen chapters cover the subject from the foundations of marketing through environment, consumer behaviour, STP, strategy, product, pricing, channels, communication, brands, services, rural and agricultural marketing, research, digital marketing, ethics and consumer protection, international marketing, CRM, and finally organisation, implementation and control.

Each chapter closes with a **revision map**, followed by **36 original examination-style questions** Sets and explanations. The explanations are deliberately more than answer confirmations: they explain why the correct option fits and why the neighbouring options do not.

The book also avoids a common weakness of examination material: false precision. Where a number, rate, valuation or benchmark is not necessary to explain the concept, the book does not invent one. Where a live examination paper supplies a specific figure or statutory detail, that examination remains the controlling source.

The result is intended to be neither a coaching handout nor a conventional MBA casebook.

It is a **working examination reference**: a book that can be read for understanding, revised quickly, and used to train the eye to recognise what a question is actually asking.

If the book succeeds, the reader should finish not merely knowing more marketing terminology, but making fewer conceptual mistakes.

— CrackTarget Editorial

How to use this book

This book works best in three passes.

Pass 1 — Understand

Read the chapter without attempting the questions.

Do not memorise the framework names first. Instead ask:

- What problem does the concept solve?
- What is it being distinguished from?
- What condition makes it applicable?
- What is its principal limitation?

The prose is deliberately written so that the concept comes before the label.

Pass 2 — Compress

At the end of each chapter, use the **Chapter Revision Map** as a five-to-ten-minute revision sheet.

The revision map is not a replacement for the chapter. It is the compressed structure you should be able to reconstruct after reading it.

Pass 3 — Test

Attempt all **36 questions** without looking at the key.

Then read the explanation for **every question**, including questions you answered correctly.

A correct answer obtained by guessing is not mastery.

The distractors are intentionally drawn from neighbouring concepts. If you can explain why the other options are wrong, you are much closer to examination-level command of the topic.

The central rule

Whenever two concepts appear similar, stop and write their difference in one sentence.

Examples:

Need ≠ want ≠ demand
Marketing ≠ selling
Advertising ≠ promotion
Segment ≠ target
Brand ≠ trade mark
Satisfaction ≠ loyalty
Rural ≠ agricultural marketing
Competitor ≠ substitute
Social ≠ societal marketing
Strategy ≠ plan
Dashboard ≠ audit

These distinctions are repeatedly tested throughout the book.

How to read the visual plates

The diagrams are not decoration. They are compression devices.

Use them after reading the relevant section and ask:

Can I reconstruct the logic of this diagram without looking at it?

If yes, the diagram has done its job.

A final examination habit

Before selecting an option, identify:

1. What object is the question asking about?
2. What neighbouring object is it trying to make me confuse it with?
3. What condition or limitation matters?

That three-step habit is more useful than memorising isolated one-liners

Contents

Copyright & Publication Information 2
Edition 2
Intended use 2
Copyright notice 2
Examination-question notice 2
Educational and legal disclaimer 2
Framework attribution 2
Preface **3**
How to use this book This book works best in three passes. **4**
Chapter 1 — What Marketing Is **13**
1.1 A working definition 13
1.2 Marketing, selling, advertising, promotion 13
1.3 Needs, wants and demand 13
1.4 Value, satisfaction and exchange 14
1.5 Philosophies of the firm 14
1.6 Societal marketing and social marketing 15
1.7 Holistic marketing 15
1.8 Marketing myopia 15
1.9 Scope, and a note on Indian public systems 15
1.10 Kotler's social-product grid 16
1.11 What the models do not settle 16
Applications for the paper 16
..... 17
Chapter revision map 18
Practice questions 19
Key 23
Explanations 23
Chapter 2 — The Marketing Environment **25**
2.1 Two layers 25
2.2 PESTLE as a filing system 25
2.3 What PESTLE does not do 26
2.4 Industry structure: five forces 26
2.5 Four market forms 26
2.6 SWOT as a worksheet 26
2.7 TOWS: four combination questions 26
2.8 Scanning 27
2.9 Public instruments without invented figures 27

2.10 Reading a stem 27
Practice questions 30
Key 34
Explanations 34
Chapter 3 — Consumer Behaviour 36
3.1 Why behaviour is a marketing subject 36
3.2 The consumer decision process 36
3.3 Four buying types (Assael) 36
3.4 Household buying roles 37
3.5 Psychological influences 37
3.6 Social and personal influences 38
3.7 Organisational buying 38
3.8 Reading a stem 38
Chapter revision map 39
Practice questions 39
Answer key 43
Explanations 43
Chapter 4 — Market Segmentation, Targeting and Positioning 45
4.1 Why the market is cut 45
4.2 Segmentation 45
4.3 When a segment is worth choosing: MASDA 45
4.4 Targeting 45
4.5 Positioning 46
4.6 Order, and how a stem is built 46
Chapter revision map 47
Practice questions 48
Answer key 51
Explanations 52
Chapter 5 — Marketing Strategy and Planning 53
5.1 What a marketing strategy is 53
5.2 Ansoff's growth matrix 53
5.3 Porter's generic strategies 54
5.4 BCG growth-share matrix 55
5.5 Competitive positions 56
5.6 From strategy to plan 56
5.7 Reading a stem 56
Chapter revision map 57
Practice questions 57

Answer key 61
Explanations 61
Chapter 6 — Product Management and New Product Development 62
6.1 Five levels of the product 62
6.2 How goods are bought 62
6.3 Product mix: width, length, depth, consistency 63
6.4 The product life cycle as a sketch 63
6.5 New product development 64
6.6 Adoption and diffusion 64
6.7 Reading a stem 64
Chapter revision map 64
Practice questions 65
Answer key 69
Explanations 69
Chapter 7 — Pricing Decisions 72
7.1 What price is doing 72
7.2 Three families of method 72
7.3 New-product paths: skim and penetrate 72
7.4 Psychological and product-mix tactics 72
7.5 Indian public markers without invented figures 73
7.6 Reading a stem 73
Chapter revision map 75
Practice questions 75
Answer key 79
Explanations 79
Chapter 8 — Marketing Channels and Physical Distribution 83
8.1 Channel levels 83
8.2 Intensity 83
8.3 Vertical marketing systems 83
8.4 Conflict 83
8.5 Physical distribution 84
8.6 Reading a stem 84
Chapter revision map 85
Practice questions 86
Answer key 90
Explanations 90
Chapter 9 — Integrated Marketing Communication 93
9.1 The communication process 93

9.2 The promotion mix 93
9.3 Jobs of advertising, and AIDA 94
9.4 Push and pull 94
9.5 Budgeting methods 94
9.6 Paid, owned and earned 94
9.7 A note on content standards 94
9.8 Reading a stem 94
Chapter revision map 95
Practice questions 95
Answer key 99
Explanations 99
Chapter 10 — Brand Management 102
10.1 What a brand is, and what it is not 102
10.2 Why brands exist for the buyer and for the firm 102
10.3 Brand equity: Aaker's assets 102
10.4 Customer-based brand equity: Keller's pyramid 103
10.5 Architecture: branded house and house of brands 104
10.6 Private labels 104
10.7 Line extension, brand extension, co-branding, licensing 104
10.8 Brand personality and the limits of metaphor 105
10.9 Building, stretching and defending 105
10.10 Indian public markers without invented figures 105
10.11 How a stem in this chapter is built 106
10.12 Worked distinctions the paper repeats 107
Chapter revision map 108
Practice questions 108
Answer key 113
Explanations 113
Chapter 11 — Services Marketing 117
11.1 The goods–services continuum 117
11.2 Four properties: IHIP 117
11.3 The extended mix: people, process, physical evidence 118
11.4 Moments of truth and the servicescape 118
11.5 Quality: RATER and the five gaps 119
11.6 Expectation, zone of tolerance, recovery 120
11.7 Capacity, demand and the perishable seat 120
11.8 Indian public settings without invented figures 121
11.9 How a stem in this chapter is built 121

11.10 Limits of the tools 121
Chapter revision map 121
Practice questions 121
Answer key 126
Explanations 126
Chapter 12 — Rural and Agricultural Marketing 129
12.1 Rural marketing is not a smaller city 129
12.2 Agricultural marketing is a produce path 129
12.3 Places with names: haat, shop, mandi 129
12.4 Price instruments that are not pricing methods 130
12.5 Mix consequences 130
12.6 Cooperatives and other collective sellers 130
12.7 What this chapter will not invent 130
12.8 How a stem in this chapter is built 130
Chapter revision map 132
Practice questions 132
Answer key 136
Explanations 137
Chapter 13 — Marketing Research and Marketing Information 140
13.1 Marketing information system and marketing research 140
13.2 The research process 140
13.3 Secondary and primary data 140
13.4 Qualitative and quantitative 140
13.5 Census, sample, probability and error 141
13.6 Instruments: observation, survey, experiment 141
13.7 What research cannot do 141
13.8 How a stem in this chapter is built 141
Practice questions 142
Answer key 147
Explanations 147
Chapter 14 — Digital Marketing 150
14.1 What is digital, and what is not new 150
14.2 Paid, owned and earned, restated for the screen 150
14.3 Platforms as intermediaries 150
14.4 Instruments on the screen 151
14.5 Measurement without invented benchmarks 151
14.6 Product, price and the digital offer 151
14.7 Privacy as a marketing constraint, not a slogan 151

14.8 How a stem in this chapter is built 151
Chapter revision map 153
Practice questions 153
Answer key 157
Explanations 157
Chapter 15 — Ethics, Consumer Protection and Responsible Marketing 161
15.1 Ethics, the societal concept, and the law 161
15.2 Consumer Protection Act, 2019 161
15.3 Dark patterns and the CCPA guidelines 161
15.4 Personal data: DPDP Act and the 2025 Rules 162
15.5 ASCI and the two tracks of advertising control 162
15.6 Other public markers already in the book 162
15.7 How a stem in this chapter is built 162
Chapter revision map 164
Practice questions 164
Answer key 168
Explanations 169
Chapter 16 — International Marketing 172
16.1 Orientation: EPRG 172
16.2 Entry modes 172
16.3 Standardise, adapt, or invent 172
16.4 Price and dumping, again 173
16.5 Incoterms as risk allocation 173
16.6 Culture as environment, not destiny 173
16.7 How a stem in this chapter is built 173
Chapter revision map 174
Practice questions 174
Answer key 179
Explanations 179
Chapter 17 — Customer Relationship Management 182
17.1 Relationship marketing and CRM 182
17.2 Acquisition, retention and the wrong slogan 182
17.3 Value of a customer, without an invented formula 182
17.4 Levels of relationship and the offer that binds 182
17.5 Data, lists and the statute already written 183
17.6 How a stem in this chapter is built 183
Chapter revision map 184
Practice questions 185

Answer key 189
Explanations 189
Chapter 18 — Marketing Organisation, Implementation and Control 192
18.1 Why organisation is a marketing fact 192
18.2 Forms and their characteristic failures 192
18.3 Implementation 192
18.4 Four controls 193
18.5 Measures without invented benchmarks 193
18.6 Closing the book's loop 193
18.7 How a stem in this chapter is built 193
Chapter revision map 195
Practice questions 195
Answer key 199
Explanations 199
PRIMARY INDIAN LEGAL & REGULATORY SOURCES 204
1. Consumer Protection 204
2. Dark Patterns 204
3. Digital Personal Data Protection 204
4. Trade Marks 204
5. Legal Metrology 204
6. Competition 204
7. Advertising Self-Regulation 204
LEGAL, EDITORIAL & EDUCATIONAL DISCLAIMER 205
1. Educational Purpose 205
2. Law and Regulation May Change 205
3. Date-Sensitive Examination Questions 205
4. Examples and Illustrations 205
5. Examination Questions 205
6. No Fabricated Official Data 205
7. Trademarks and Names 206
8. No Endorsement 206
SUBJECT INDEX — QUICK REFERENCE 207
A 207
B 207
C 207
D 207
E 207
I 207

M 207

P 207

R 208

S 208

T 208

U 208

V 208

W 208

PART I · FOUNDATIONS

Chapter 1 — What Marketing Is

A firm can fill a warehouse, print a catalogue and still fail. The failure is not always a shortage of selling effort. Often the firm has never asked what job the buyer is trying to get done, whether that job is worth serving, and whether the offer created for it can be delivered at a cost the buyer will bear. Marketing is the discipline that starts with those questions.

This chapter sets the vocabulary used in the rest of the book. Later chapters on segmentation, price, channels and services assume that marketing is not a synonym for advertising, that selling is a tool rather than the whole subject, and that a firm's operating philosophy can be read from what it actually does.

1.1 A working definition

Marketing is the social and managerial process through which individuals and organisations obtain what they need and want by creating, offering and exchanging products of value with others. Marketing management is the art and science of choosing target markets and of getting, keeping and growing customers through the creation, delivery and communication of superior value.

Two features of this wording matter in an examination. First, marketing is a process, not a department. Research, product design, pricing, distribution, communication and after-sale work all belong to it. Second, the unit of success is value as the customer judges it, not volume as the factory records it.

The American Marketing Association's institutional definition moves in the same direction: marketing is the activity, set of institutions and processes for creating, communicating, delivering and exchanging offerings that have value for customers, clients, partners and society at large. Papers that print 'AMA definition' want this institutional wording. Papers that print 'Kotler' will accept the process wording above. Do not treat the two as rivals.

1.2 Marketing, selling, advertising, promotion

Selling is the effort to convert existing stock into orders. It is indispensable. It is not the whole of marketing. A selling-led firm begins with what it already makes and then looks for buyers. A marketing-led firm begins with a chosen set of customers and designs an offer they have reason to buy. Peter Drucker's well-known remark that the aim of marketing is to make selling superfluous is a teaching exaggeration, not an operational instruction to dismiss the sales force. It means that if the offer is right, persuasion has less work to do.

Advertising is paid, non-personal communication by an identified sponsor. Promotion, in the mix sense, is the wider set of communication tools: advertising, sales promotion, personal selling, public relations and direct marketing. Advertising sits inside promotion; promotion sits inside marketing. A question that treats 'marketing' and 'advertising' as interchangeable is testing this nesting.

1.3 Needs, wants and demand

A need is a felt lack of a basic satisfaction: food, shelter, safety, belonging, esteem. Marketers do not create needs. A want is a need given a cultural and personal form — rice or bread, a public bus or a two-wheeler. Marketers can and do shape wants through design, meaning and availability. Demand is a want backed by buying power. Without ability and willingness to pay, a want remains a wish.

The distinction stops two common errors. The first is the claim that marketing 'creates needs'. The second is the claim that a large population of people who would like an offer is already a market. It is not, until purchasing power and access are present.

Term	Meaning	Created by marketers?
Need	Basic human requirement	No
Want	Need shaped by culture and personality	Influenced, not invented from nothing
Demand	Want backed by buying power	No — income and willingness decide

1.4 Value, satisfaction and exchange

Customer-perceived value is the customer's assessment of the benefits received against the costs incurred. Benefits include functional, emotional and social results. Costs include money, time, effort and psychological risk. The firm does not own this calculation. Two buyers facing the same list price can record different value.

Satisfaction is the post-use judgement of performance against expectation. Delight, when the word is used carefully, is performance that clearly exceeds expectation. Neither is loyalty. A satisfied buyer may leave when a rival is better or louder; an unsatisfied buyer may stay when switching is costly. Those points return in the chapter on relationships.

Exchange is the act of obtaining a desired object from someone by offering something in return. A completed exchange of values is a transaction. A relationship is a series of exchanges with memory. Conditions usually listed for exchange are: at least two parties; each with something the other values; communication; freedom to accept or reject; and an offer that both regard as appropriate. Coercion is not marketing.

1.5 Philosophies of the firm

Textbooks present five orientations as a history of thought. They are better read as living options. A firm incorporated in 2020 can still run on the selling concept. The date on the incorporation certificate does not decide the philosophy.

The production concept holds that buyers favour products that are widely available and inexpensive. The managerial task is efficiency and coverage. It fits a shortage economy or a standardised staple. It fails when buyers have begun to choose on differences the factory has not noticed.

The product concept holds that buyers favour the object with the best quality, performance or features. The task is to improve the thing. The risk is Levitt's myopia: loving the product more than the job it is hired to do.

The selling concept holds that buyers will not buy enough unless the firm undertakes a substantial selling and promotion effort. The task is persuasion. The risk is moving stock that the market did not ask for, and then paying for the after-sale.

The marketing concept holds that the firm achieves its objectives by determining the needs and wants of target markets and delivering the desired satisfaction more effectively than competitors. Its practical marks are a chosen market, a need orientation, integrated effort inside the firm, and profit through customer value rather than through volume alone.

The societal marketing concept adds a third term to customer satisfaction and firm profit: the long-run well-being of consumers and of society. A firm can meet a present want and still impose a cost that later buyers, regulators or citizens will not accept. The concept does not require the firm to become a charity. It requires the offer itself to be designed under that constraint.

Orientation	Starting point	Characteristic risk
Production	Availability and cost	Ignores emerging differences
Product	Quality and features	Defines the business as the object
Selling	Existing stock and persuasion	Creates demand for the wrong offer
Marketing	Target needs and value	May serve a want that harms in the long run
Societal	Needs, profit and welfare	Sermon without a viable offer

1.6 Societal marketing and social marketing

These two phrases are the most frequent collision in an Indian paper. Societal marketing is a philosophy of the firm's commercial offer: serve chosen customers at a profit without imposing unacceptable long-run costs on them or on society. Social marketing is the use of marketing tools to influence a behaviour undertaken for a social objective — turnout at an election, immunisation, helmet use, sanitation. The object of social marketing is the behaviour, not this quarter's stock-keeping unit.

A commercial brand may fund a social-marketing campaign. That does not convert the campaign into the societal marketing concept, and it does not convert a CSR appropriation under section 135 of the Companies Act, 2013 into proof that the core product is societally designed. Cause-related marketing is different again: a sale or brand campaign linked to a donation or cause. Keep the three labels on three different objects.

1.7 Holistic marketing

Holistic marketing, in Kotler's later formulation, is an organisational design, not a welfare philosophy. It has four components. Relationship marketing seeks continuing exchanges with chosen customers, channels and partners. Integrated marketing requires that the mix and the messages tell one story. Internal marketing requires that the people who must keep the promise are selected, trained, informed and measured so that they can keep it. Performance marketing requires that marketing be judged on more than this period's invoice — on brand equity, customer equity and the quality of the results.

Two limitations follow. First, 'performance marketing' in this textbook sense is not a synonym for paid digital advertising. Industry slang often uses the same two words for click-linked media. If a question is clearly about digital channels, use the industry sense; if it sits in a chapter on concepts, use Kotler's sense. Second, holistic marketing does not absorb the societal marketing concept. Societal marketing constrains the offer. Holistic marketing describes how the firm organises around value. A firm can be organisationally holistic and still sell a pleasing product with a poor long-run effect.

1.8 Marketing myopia

Theodore Levitt's 1960 essay named the error of defining the firm by its present product or technology rather than by the underlying customer need. The railway that thought it was in railways, and not in transport, is the canonical illustration. The symptoms are familiar: feature obsession, dismissal of substitutes, a belief that technical excellence guarantees demand.

The correction is to restate the business in need language. A coaching centre that defines itself as printed notes is exposed the moment notes become free; one that defines itself as a path to a credential still has a job. A payments service that defines itself as passbooks is exposed the moment money can move without a branch queue. Levitt's article is a warning, not a forecasting model. It does not tell the firm which new technology to buy. It tells the firm which question to keep asking.

1.9 Scope, and a note on Indian public systems

The scope of marketing includes goods, services, events, persons, places, organisations, information and ideas. It includes consumer markets, business markets, global markets and non-profit or public

offers. The marketing mix — product, price, place and promotion, with people, process and physical evidence added for services — is the toolkit. It is introduced here and developed in later chapters.

Indian public systems use marketing ideas without always using the word. A public distribution shop is a place decision. A vaccination campaign that changes a schedule after listening to local resistance is closer to the marketing concept than a campaign that only prints more posters. Unified Payments Interface lowered the cost and friction of a money-movement job; that is infrastructure, not a brand lecture, but it changed the market in which private wallets compete. None of these examples requires an invented user count. They require the candidate to recognise the job being done.

1.10 Kotler's social-product grid

A later teaching device classifies products on two axes: immediate satisfaction and long-run consumer benefit. Deficient products are low on both. Pleasing products score high on immediate appeal and poorly on long-run effect. Salutary products score low on immediate appeal and high on long-run benefit — a bicycle helmet is the usual classroom instance. Desirable products score high on both. The societal concept's product task is to move pleasing offers towards desirable ones, and to make salutary offers more immediately acceptable, without pretending that a helmet is a snack.

1.11 What the models do not settle

The five orientations describe starting points. They do not grade a firm's morality in a single letter. The marketing concept does not guarantee that a researched want is a good want. Levitt does not decide the investment budget. Holistic marketing does not replace consumer-protection law. Needs, wants and demand describe a hierarchy of language; they do not measure a market. Used as vocabulary, these ideas organise an answer. Used as laws of history, they produce false certainty.

Applications for the paper

A two-line stem that says the firm enlarged the plant and cut cost is pointing at the production concept. A stem that says the laboratory added features until the object became hard to use is pointing at the product concept and, often, at myopia. A stem that says the sales contest was doubled after stock piled up is pointing at the selling concept. A stem that says the firm dropped a SKU after rural interviews is pointing at the marketing concept. A stem that says the firm withdrew an ingredient on long-run health grounds, at a cost to this year's volume, is pointing at the societal concept. A stem about voting or immunisation is social marketing unless the options force a finer fight.


DIAGRAM 01
NEED, WANT, DEMAND
From inner condition to market reality
NEED
An internal condition of felt deprivation.
Arises from biological, psychological or social requirements
Example
Need for food, safety, belonging or status.
WANT
A culturally shaped form that a need takes.
Shaped by culture, personality, reference groups, marketing and situational factors
Example
Want for a particular brand of smartphone, a specific cuisine or a branded car.
DEMAND
A want backed by buying power.
Want + Purchasing power + Willingness to buy
Example
Purchasing an iPhone because one has the income and is willing to buy it.
Key distinction
Need = why people require something
Want = what form the need takes
Demand = when the want enters the market
All demands are wants. All wants arise from needs. Not all needs, wants or demands are the same.



TABLE SOCIETAL / SOCIAL / CAUSE-RELATED MARKETING (s.135)
Key differences for examination

Term	Object	Clue in the stem
Societal marketing	Long-term well-being of society (people, planet, inclusive growth).	• Mentions "society", "social welfare", "public interest", "sustainability" or "future generations". • Looks beyond the firm's short-term profits. • Integrates consumer satisfaction, company profitability and societal welfare.
Social marketing	Specific behaviour change in a target audience for a social good (e.g., health, safety, environment).	• Mentions "behaviour change", "awareness", "quit", "adopt", "public health", "road safety", "sanitation", etc. • Usually led by government, NGOs or non-profits (sometimes with corporate support). • Success is measured by change in behaviour, not by product sales.
Cause-related marketing	Support for a particular cause linked to a product or brand (often time-bound or campaign-based).	• Mentions "donate", "a part of proceeds", "for every purchase", "tied to a cause", "campaign", etc. • Clear link between buying the product and supporting a cause. • Primary goal is to strengthen the brand while contributing to a specific cause.

Takeaway All three are related but not the same. Societal marketing is the broadest. Social marketing seeks behaviour change. Cause-related marketing links a brand to a specific cause.

Chapter revision map

Marketing management: choose markets; create, communicate and deliver value; recover cost. Advertising and selling are tools.

Need (lack) → want (form) → demand (want + buying power).

Value = perceived benefits against perceived costs. Satisfaction = performance against expectation. Neither is loyalty.

Exchange → transaction → relationship.

Market = actual and potential buyers.

Myopia = defining the firm by today's artefact. Do not widen the job until it cannot organise work.

Five orientations: production, product, selling, marketing, societal — starting points, not moral grades.

Societal (offer philosophy) ≠ social (behaviour change) ≠ cause-related (sale + cause) ≠ s.135 (statutory spend).

Holistic = relationship + integrated + internal + performance. Societal is not the fourth pillar.

4Ps; service extras people–process–evidence. Purchase is not a P.

Social-product cells: deficient, pleasing, salutary, desirable.

Practice questions

Q1. Marketing management is best described as the process of

(a) staffing a sales contest

(b) choosing target markets and creating, delivering and communicating superior value

(c) printing advertisements

(d) setting a statutory MRP

Q2. A want is

(a) identical with effective demand

(b) a basic requirement that marketers invent

(c) a need given cultural and personal form

(d) a legal consumer right

Q3. Demand exists only when a want is accompanied by

(a) buying power

(b) a registered trade mark

(c) a five-level channel

(d) a service-quality audit

Q4. Levitt's marketing myopia is the error of

(a) ignoring factory efficiency

(b) defining the business by the current product rather than by the customer's job

(c) using too many intermediaries

(d) pricing below relevant cost

Q5. The selling concept assumes that buyers

(a) will seek the offer out without stimulus

(b) care only about long-run welfare

(c) will not buy enough unless substantial selling effort is applied

(d) never respond to price

Q6. Social marketing is

(a) any expenditure booked under section 135

(b) a commercial sale tied to a donation

(c) the use of marketing tools to influence behaviour for a social objective

(d) another name for the societal marketing concept

Q7. Holistic marketing, in Kotler's formulation, comprises

(a) relationship, integrated, internal and performance marketing

(b) production, product, selling and societal concepts

(c) product, price, place and purchase

(d) stars, cows, question marks and dogs

Q8. A bicycle helmet, on Kotler's social-product grid, is typically

(a) pleasing

(b) deficient

(c) salutary

(d) a cash cow

Q9. Which statement is correct?

(a) Marketers create needs

(b) Satisfaction is the same thing as loyalty

(c) Advertising is one tool inside promotion, which is one part of marketing

(d) Holistic marketing is identical with societal marketing

Q10. Meeting the statutory CSR spend under section 135

(a) proves that the core product follows the societal marketing concept

(b) is a corporate-law duty and is not, by itself, proof of a societally designed offer

(c) is the definition of social marketing

(d) replaces the marketing mix

Q11. Which of the following is not one of the original 4Ps?

(a) Product

(b) Price

(c) Purchase

(d) Place

Q12. The additional service Ps are

(a) people, process and physical evidence

(b) penetration, publicity and portfolio

(c) push, pull and parity

(d) primary, probability and panel

Q13. A pleasing product, on the social-product grid, has

(a) low immediate appeal and high long-run benefit

(b) high immediate appeal and a weak or harmful long-run effect

(c) low appeal and low long-run benefit

(d) high appeal and high long-run benefit

Q14. Cause-related marketing is

(a) a commercial sale or brand act linked to a named cause

(b) identical with social marketing

(c) the societal marketing concept under another name

(d) a production-concept tool

Q15. A brand-funded appeal that citizens should vote is closest to

(a) the societal marketing concept as a product recipe

(b) social marketing

(c) captive-product pricing

(d) the production concept

Q16. Internal marketing is directed first at

(a) the firm's own people who must keep the external promise

(b) foreign agents only

(c) statutory mandis

(d) laggards in an adoption curve

Q17. In this book's definition, a market is

(a) only a physical yard

(b) the firm's warehouse

(c) the set of actual and potential buyers of an offer

(d) a type of advertisement

Q18. The production concept starts from

(a) availability and low cost

(b) long-run public welfare

(c) relationship files

(d) brand resonance

Q19. The marketing concept starts from

(a) leftover factory stock

(b) the needs and wants of chosen markets

(c) a sales contest

(d) a CSR form

Q20. Assertion (A): Demand is not the same as want. Reason (R): Demand requires buying power.

(a) Both A and R true, and R explains A

(b) Both true, R does not explain A

(c) A true, R false

(d) A false, R true

Q21. Assertion (A): CSR spend under section 135 proves societal design of the core SKU. Reason (R): Section 135 is a spend-and-disclose duty for qualifying companies.

(a) Both A and R true, R explains A

(b) Both true, R does not explain A

(c) A true, R false

(d) A false, R true

Q22. Assertion (A): Satisfaction is not proof of loyalty. Reason (R): Satisfaction is a comparison of performance with expectation.

(a) Both A and R true, and R fully explains A

(b) Both true; R defines satisfaction but does not by itself explain switching

(c) A true, R false

(d) A false, R true

Q23. A firm keeps adding features to a format customers have already left. The orientation on display is

(a) the marketing concept

(b) social marketing

(c) the product concept, often named myopia

(d) demarketing

Q24. Exchange requires, among other conditions,

(a) at least two parties, each with something of value

(b) a joint venture

(c) a geocentric score

(d) an influencer contract

Q25. Performance marketing, in the holistic-marketing sense used here, is

(a) only paid digital advertising

(b) the requirement that marketing be judged on results the firm is prepared to own, not only this period's invoice

(c) the societal marketing concept

(d) a type of skimming

Q26. Which statement about wants is correct?

(a) Wants are identical with needs

(b) Wants are needs shaped by culture and personality

(c) Wants already include buying power

(d) Wants are created only by regulators

Q27. Integrated marketing, as a holistic pillar, requires that

(a) every product be diversified

(b) the mix and the messages tell one story

(c) price be set by statute only

(d) selling be abolished

Q28. A vaccination drive that uses research, a clear offer and a place design to raise uptake is

(a) the production concept

(b) social marketing

(c) captive-product pricing

(d) a house of brands

Q29. Which limitation of Levitt's essay is stated in this chapter?

(a) It forbids quality improvement

(b) A job defined too widely cannot organise work

(c) It applies only to railways

(d) It replaces consumer-protection law

Q30. Customer-perceived value is owned by

(a) the customer's comparison of benefits and costs

(b) the factory cost sheet

(c) the trade-mark registry

(d) the advertising invoice

Q31. Which of the following is not a pillar of holistic marketing in this chapter?

(a) Relationship marketing

(b) Internal marketing

(c) The societal marketing concept

(d) Integrated marketing

Q32. A desirable product, on the social-product grid, is high on

(a) immediate satisfaction only

(b) long-run benefit only

(c) both immediate satisfaction and long-run benefit

(d) neither axis

Q33. Coercion, in the exchange conditions listed here, is

(a) not marketing, because parties must be free to accept or reject

(b) a valid form of marketing

(c) the selling concept under another name

(d) performance marketing

Q34. A two-line stem that says the firm doubled the sales contest after stock piled up is pointing at

(a) the marketing concept

(b) the selling concept

(c) social marketing

(d) holistic marketing

Q35. A stem that says the firm withdrew an ingredient on long-run health grounds, accepting a loss of this year's volume, is pointing at

(a) the production concept

(b) the selling concept

(c) the societal marketing concept

(d) a cash-cow harvest

Q36. Which pairing is wrong?

(a) Social marketing — behaviour as the object

(b) Societal concept — welfare constraint on the firm's offer

(c) Holistic marketing — four organisational pillars including societal marketing

(d) Cause-related marketing — sale linked to a cause

Key

Q1-B Q2-C Q3-A Q4-B Q5-C Q6-C Q7-A Q8-C Q9-C Q10-B

Q11-C Q12-A Q13-B Q14-A Q15-B Q16-A Q17-C Q18-A Q19-B Q20-A

Q21-D Q22-B Q23-C Q24-A Q25-B Q26-B Q27-B Q28-B Q29-B Q30-A

Q31-C Q32-C Q33-A Q34-B Q35-C Q36-C

Explanations

Q1 B — Management of markets and value; advertising is a tool. A, C and D name instruments or statutes.

Q2 C — A want is a need given form. A confuses it with demand; B treats needs as invented.

Q3 A — Buying power is the missing term. A trade mark or a channel does not create demand.

Q4 B — Myopia is artefact-worship. Efficiency and channel length are other chapters.

Q5 C — The selling concept's premise is that stock will not move without push.

Q6 C — Object = social behaviour. A is company law; B is cause-related; D collapses two objects.

Q7 A — Four organisational pillars. Societal marketing is a separate philosophy of the offer.

Q8 C — Low immediate appeal, high long-run benefit = salutary. Desirable would need both axes high.

Q9 C — Advertising sits inside promotion, which sits inside marketing. A, B and D are the chapter's warnings.

Q10 B — Section 135 is a spend-and-disclose duty, not a test of the SKU.

Q11 C — Purchase is the buyer's act.

Q12 A — People, process, physical evidence.

Q13 B — Pleasing = high now, weak later.

Q14 A — The object remains a commercial act with a cause attached.

Q15 B — Voting is a civic behaviour.

Q16 A — The promise has to be kept by staff.

Q17 C — Buyers, not the yard.

Q18 A — Availability and cost.

Q19 B — Chosen markets' needs.

Q20 A — R is why want is not yet demand.

Q21 D — A is false; R is true of a different object.

Q22 B — R defines satisfaction; loyalty fails for other reasons (alternatives, lock-in).

Q23 C — Features for a vanished job.

Q24 A — Minimum exchange conditions.

Q25 B — Textbook sense, not click-media slang.

Q26 B — Culture and personality give the need a form.

Q27 B — One story across the mix.

Q28 B — Behaviour for a social objective.

Q29 B — The job must still organise work.

Q30 A — Value is the customer's calculation.

Q31 C — Societal is not a holistic pillar here.

Q32 C — Both axes high.

Q33 A — Freedom to refuse is a listed condition of exchange.

Q34 B — Push after stock piles = selling concept.

Q35 C — Welfare constraint accepted against this year's volume.

Q36 C — The wrong pairing: holistic does not include societal as a fourth pillar.

Chapter 2 — The Marketing Environment

A price, a pack and a message are written inside constraints the firm does not fully control. Some of those constraints sit next to the firm and can be negotiated: a supplier, a dealer, a rival. Others sit further out and can only be read: a statute, a harvest, a shift in household composition. Environmental analysis is the habit of naming those layers before the mix is designed.

This chapter separates the micro-environment from the macro-environment, places Indian public instruments in the PESTLE grid without treating a news headline as a theorem, turns a SWOT worksheet into TOWS options, and reads industry structure through Porter's five forces and the four market forms shared with economics.

2.1 Two layers

The micro-environment consists of actors close enough that the firm can, in principle, talk to them or be talked to by them: the company itself, suppliers, marketing intermediaries, customers, competitors and publics. A public is any group with an actual or potential interest in, or effect on, the firm's ability to achieve its objectives — the press, a local community, a consumer organisation, a government department acting as audience rather than as statute-maker.

The macro-environment consists of larger forces that shape the opportunities and threats facing every actor in the micro-layer. The usual teaching list is political-legal, economic, socio-cultural, technological, legal (sometimes folded into political) and ecological or natural — written as PESTLE when six headings are wanted. Demographic change is often taught inside the social heading or as a separate scan.

The practical test is influence. If the firm can renegotiate the term, the actor is usually micro. If the firm can only adjust to the term, the force is usually macro. A dealer's margin is micro. A change in the Goods and Services Tax rate is macro, even though it lands on the same invoice.

2.2 PESTLE as a filing system

PESTLE does not forecast. It stops a scan from becoming a newspaper cutting. Political and legal headings catch statutes, regulation, public procurement and the stability of rules. The Consumer Protection Act, 2019, the Digital Personal Data Protection Act, 2023 and the 2025 Rules, Legal Metrology declarations on MRP, and sector licences belong here. Economic headings catch income, inflation, interest rates, exchange rates and the cash calendar of households and farms. Social headings catch culture, family structure, literacy, trust and the meanings attached to a category. Technological headings catch the rails on which offers now travel — a payments interface, a logistics platform, a diagnostic. Ecological headings catch resource limits, climate exposure and the credibility of environmental claims.

A single event can occupy two cells. A Union Budget measure is political in origin and economic in effect. The candidate's job is to name the cell the question is using, not to insist that events have only one nature. Production-linked incentive schemes, when they appear in a paper, are policy instruments that alter the cost and capacity of domestic supply. They are not, by themselves, a brand strategy.

Heading	What to file there	Indian illustrations (instruments, not figures)
Political / legal	Statutes, regulators, procurement rules	CPA 2019; DPDP Act and Rules; MRP law
Economic	Income, prices, credit, exchange	Inflation, policy rates, farm cash calendar
Social	Culture, demography, meanings	Household structure; language; aspiration
Technological	Tools that change cost or reach	UPI as a rail; logistics platforms

Ecological	Resource and climate constraints	Water, energy, claim-credibility

2.3 What PESTLE does not do

The grid does not rank forces. It does not tell the firm whether a force is a threat or an opportunity; that judgement is local. It does not replace competitor analysis. A firm that fills six boxes and then writes the same mix it wrote last year has scanned the newspaper, not the environment.

2.4 Industry structure: five forces

Michael Porter's five-forces analysis asks why an industry is able, or unable, to hold a margin. The forces are: rivalry among existing firms; the threat of new entrants; the threat of substitutes; the bargaining power of buyers; and the bargaining power of suppliers. A substitute is a different way of doing the buyer's job, not merely another brand of the same form. Buyer power rises when the customer is concentrated, informed, or able to switch. Supplier power rises when inputs are distinctive and the firm cannot easily change source. Entry threat rises when capital, regulation or brand loyalty cease to block newcomers.

The limitation is as important as the list. Five forces describe industry structure at a time. They do not prescribe a generic strategy by themselves, they do not measure a particular firm's competence, and they treat complementors — platforms or infrastructures that make the industry more valuable — only indirectly. Used as a map of pressure, the model organises an answer. Used as a score out of five, it becomes decoration.

2.5 Four market forms

Marketing papers share four forms with elementary economics. Pure or perfect competition: many sellers, a standardised product, the firm is a price-taker. Grain in an unbranded lot is the usual picture. Monopoly: one seller of an offer without a close substitute, constrained by demand and by law rather than by a named rival. Oligopoly: few sellers, each watching the other; price and communication moves are interdependent. Monopolistic competition: many sellers of differentiated offers; branding and the mix have work to do because the product is no longer a pure commodity.

The marketing implication follows the form. In pure competition the mix other than price has little room. In monopolistic competition positioning and brand work are the subject. In oligopoly a price cut is also a message to the other few. In monopoly the constraint is often regulatory rather than competitive.

2.6 SWOT as a worksheet

Strengths and weaknesses are internal. Opportunities and threats are external. That single rule prevents the most common classroom error: listing a favourable market trend as a strength, or a missing capability as a threat. A strength is something the firm possesses and can use. An opportunity is something in the environment that the firm might use if it has, or can build, the means.

Cell	Where it lives	Test
Strength	Inside the firm	Do we actually have this?
Weakness	Inside the firm	Does its absence cost us?
Opportunity	Outside the firm	Could we use this if we were able?
Threat	Outside the firm	Could this damage us if we do nothing?

2.7 TOWS: four combination questions

Heinz Weihrich's TOWS matrix is SWOT put to work. SO options use a strength to take an opportunity. WO options remove or bypass a weakness so that an opportunity can be taken. ST options use a strength to blunt a threat. WT options are defensive: reduce a weakness that a threat would otherwise

exploit, or leave the field. The matrix produces candidates for action. It does not rank them. Cost, capability and the strategy chapter decide which candidate survives.

Cell	Question	Character of the move
SO	Which strength unlocks which opportunity?	Offensive combination
WO	Which weakness blocks an opportunity?	Build or buy capability
ST	Which strength blunts which threat?	Defence using an asset
WT	Where do weakness and threat meet?	Protect, harvest or exit

2.8 Scanning

Environmental scanning is the organised search for change that will matter to the offer. Strong signals are already in the trade press. Weak signals are incomplete: a pilot statute, a local shift in who controls the household purse, a technology used by a few buyers in another category. The point of recording weak signals is not prophecy. It is to avoid being surprised by a change that was visible in fragments.

Competitor analysis, at examination depth, asks four questions: who is the rival in the buyer's set; what is that rival trying to do; what can that rival do next; how will that rival reply to our move. A firm that watches only share figures and not reply patterns has a dashboard, not a scan.

2.9 Public instruments without invented figures

A repo-rate change belongs in the economic cell and then in the price and credit calculus of interest-sensitive categories. A data-protection rule belongs in the legal cell and then in the design of research, targeting and the relationship file. A packaged-commodity rule on MRP belongs in the legal cell and then in the price chapter: it is a declaration requirement, not a pricing method. Production-linked support, where it exists for a sector, belongs in policy and then in capacity. None of these placements requires a recited rate or a user count. If a live paper prints a figure, that paper is sovereign.

2.10 Reading a stem

If the stem names a dealer, a supplier or a named rival, begin in the micro-environment. If it names a statute, a harvest or a demographic shift, begin in the macro-environment. If it names a different way of doing the job — a video call instead of a branch visit — the force is substitution, not merely rivalry. If it asks for a strategy sentence after a SWOT list, the answer is a TOWS cell, not a second SWOT.

DIAGRAM 01

TWO LAYERS OF THE MARKETING ENVIRONMENT

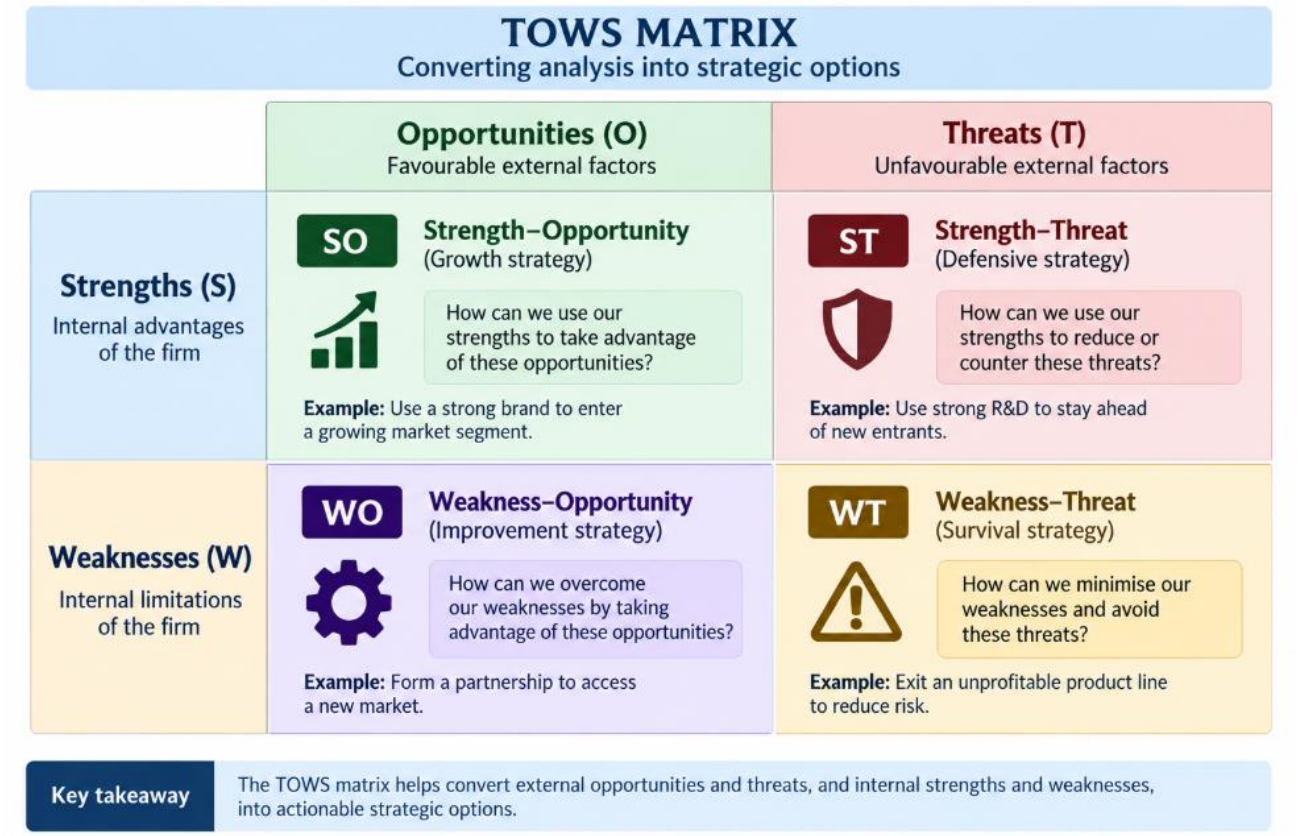
The firm, its micro environment and the broader macro environment



Key idea The firm operates in a micro environment that is embedded within a larger macro environment.

Exam tip PESTLE factors are external and indirect. The micro environment consists of the firm's immediate and direct stakeholders.





Chapter revision map

Micro = company, suppliers, intermediaries, customers, competitors, publics. Macro = PESTLE (and demography).

If you can renegotiate it, it is usually micro. If you can only adjust, it is usually macro.

PESTLE files; it does not rank or write the mix. One event may occupy two cells.

Five forces = industry structure. Substitute ≠ same-form rival. The model does not score one firm's skill.

Market forms: pure competition (standard, many, price-taker); monopoly; oligopoly (few, interdependent); monopolistic competition (many, differentiated).

SWOT: S/W internal, O/T external. An opportunity is not yet a strategy.

TOWS: SO offensive; WO build/bypass weakness; ST blunt threat; WT protect, harvest or exit.

Public ≠ target. Scan strong and weak signals. Watch the rival's likely reply, not only share.

Practice questions

Q1. Marketing intermediaries belong to the

(a) macro-environment

(b) micro-environment

(c) natural environment only

(d) legal environment only

Q2. A change in the GST rate is best filed first as a

(a) strength of the firm

(b) micro-environment actor

(c) macro-environmental political-legal and economic fact

(d) BCG cell

Q3. In five-forces language, a substitute is

(a) another brand of the same form

(b) a different way of performing the buyer's job

(c) a cash discount

(d) a line extension

Q4. Which statement about SWOT is correct?

(a) A favourable industry trend is a strength if it helps the firm

(b) Strengths and weaknesses are internal; opportunities and threats are external

(c) SWOT is already a strategy

(d) Threats are always internal cost problems

Q5. A WO option in TOWS is a move that

(a) uses a strength to take an opportunity

(b) uses a strength to blunt a threat

(c) reduces a weakness so that an opportunity can be taken

(d) harvests a cash cow

Q6. Standardised grain sold by many sellers is characteristic of

(a) monopoly

(b) oligopoly

(c) monopolistic competition

(d) pure or perfect competition

Q7. Buyer bargaining power tends to rise when

(a) switching costs are high and buyers are fragmented

(b) buyers are concentrated, informed, or able to switch

(c) suppliers own a unique input

(d) entry barriers are statutory and high

Q8. PESTLE analysis is limited because it

(a) cannot list legal instruments

(b) files forces but does not, by itself, rank them or write the mix

(c) replaces five-forces analysis

(d) applies only to consumer goods

Q9. UPI, in an environmental scan, is most usefully treated as

(a) a brand architecture

(b) a technological rail that changes the cost of a payments job

(c) a SERVQUAL dimension

(d) an Ansoff cell

Q10. Five-forces analysis does not, by itself,

(a) name rivalry as a force

(b) distinguish substitutes from rivals

(c) measure a particular firm's distinctive competence

(d) ask about supplier power

Q11. A dealer's margin is typically

(a) a macro demographic fact

(b) a micro-environment term that can be negotiated

(c) a five-forces substitute

(d) a salutary product

Q12. A public differs from a target market in that a public

(a) always pays

(b) may have to be answered whether it buys or not

(c) is a BCG cell

(d) is identical with an intermediary

Q13. An SO option in TOWS

(a) uses a strength to take an opportunity

(b) harvests a dog by definition

(c) is identical with a WT exit

(d) files a PESTLE letter

Q14. An ST option uses

(a) a weakness to chase an opportunity

(b) a strength to blunt a threat

(c) only a CSR form

(d) a reminder advertisement

Q15. A WT option is typically

(a) the most offensive combination

(b) defensive: protect, harvest or leave where weakness meets threat

(c) a new PESTLE heading

(d) buyer power

Q16. Monopolistic competition is the form in which

(a) the product is a pure unbranded commodity

(b) many sellers offer differentiated goods and the mix has work to do

(c) a single seller faces no demand curve

(d) only two firms exist by law

Q17. In oligopoly, a price cut is also

(a) irrelevant to rivals

(b) a message to the other few

(c) proof of pure competition

(d) a public identical with a target

Q18. Supplier power rises when

(a) inputs are distinctive and switching source is hard

(b) buyers are locked in to the firm's brand only

(c) the product is a free public good

(d) PESTLE is complete

Q19. A video call that replaces some branch visits is, for a branch-based service,

(a) only a new sister branch

(b) a substitute for part of the job

(c) a cash cow

(d) an Incoterm

Q20. Assertion (A): SWOT is not the strategy. Reason (R): SWOT arranges internal and external findings; TOWS and a later choice still have to be made.

(a) Both A and R true, and R explains A

(b) Both true, R does not explain A

(c) A true, R false

(d) A false, R true

Q21. Assertion (A): A GST change is only a micro dealer problem. Reason (R): A statutory rate change is a macro political-legal and economic fact even when it lands on an invoice.

(a) Both A and R true, R explains A

(b) Both true, R does not explain A

(c) A true, R false

(d) A false, R true

Q22. Weak signals are recorded in a scan because

(a) they are already statutes

(b) fragments may later become a force, and the point is to be less surprised

(c) they replace PESTLE

(d) they measure brand equity

Q23. Competitor analysis at the depth of this chapter asks, among other things,

(a) only last year's jingle spend

(b) what the rival can do next and how the rival will reply

(c) the firm's own warehouse code

(d) Hofstede's full table

Q24. MRP rules under packaged-commodity law belong first in

(a) the legal cell of the scan, then in price as a declaration duty

(b) Ansoff's diversification cell

(c) SERVQUAL empathy

(d) a house of brands

Q25. Complementors are mentioned as a limitation of five forces because

(a) the original five treat them only indirectly

(b) they abolish rivalry

(c) they are identical with substitutes

(d) they are a PESTLE letter

Q26. A citizens' group opposing a plant is

(a) a target market by definition

(b) a public

(c) a cash cow

(d) pure competition

Q27. If a stem names a harvest failure across a belt, begin the answer in

(a) the firm's logo file

(b) the macro natural and economic environment

(c) Keller resonance

(d) a zero-level channel only

Q28. Listing a market trend as a strength violates

(a) the internal/external rule of SWOT

(b) Incoterms

(c) the 7Ps

(d) MASDA

Q29. Production-linked support, when a paper names it, is first

(a) a brand jingle

(b) a policy instrument that can alter domestic cost and capacity

(c) a SERVQUAL gap

(d) a private label

Q30. The practical test used in this chapter for micro versus macro is

(a) the length of the brand name

(b) whether the firm can renegotiate the term or must only adjust to it

(c) whether the event was on television

(d) whether the product is salutary

Q31. Which pairing is wrong?

(a) Pure competition — price-taker, standardised offer

(b) Oligopoly — few sellers, interdependent moves

(c) SWOT — finished funded strategy

(d) TOWS — four combination questions

Q32. A single-source distinctive input is primarily

(a) a socio-cultural ritual

(b) a source of supplier power

(c) reminder advertising

(d) a desirable product

Q33. Demographic change is scanned because it

(a) replaces culture

(b) changes the size and shape of segments

(c) is a pricing tactic

(d) abolishes five forces

Q34. Filling six PESTLE boxes and reprinting last year's mix means the firm has

(a) completed strategic choice

(b) scanned headings without letting them touch a decision

(c) measured Gap 5

(d) built a VMS

Q35. In monopoly, the usual constraint highlighted here is

(a) a crowd of branded near-rivals

(b) demand and law rather than a named rival

(c) only the colour of the pack

(d) RFM

Q36. Which sequence matches this chapter?

(a) Write the mix, then invent the environment

(b) Name layers and structure, feed SWOT, ask TOWS questions, then choose

(c) Skip publics because they never buy

(d) Treat every newspaper line as a strategy

Key

Q1-B Q2-C Q3-B Q4-B Q5-C Q6-D Q7-B Q8-B Q9-B Q10-C

Q11-B Q12-B Q13-A Q14-B Q15-B Q16-B Q17-B Q18-A Q19-B Q20-A

Q21-D Q22-B Q23-B Q24-A Q25-A Q26-B Q27-B Q28-A Q29-B Q30-B

Q31-C Q32-B Q33-B Q34-B Q35-B Q36-B

Explanations

Q1 B — Intermediaries sit in the micro ring. Macro is PESTLE.

Q2 C — A statutory rate is political-legal and economic; it is not a strength.

Q3 B — A substitute does the job by other means. A sister brand is rivalry.

Q4 B — Internal/external is the rule that stops a trend being listed as a strength.

Q5 C — WO = remove or bypass a weakness so an opportunity can be taken.

Q6 D — Standard product, many sellers, price-taker = pure competition.

Q7 B — Concentration, information and easy switching raise buyer power.

Q8 B — PESTLE files; it does not rank or write the mix.

Q9 B — UPI is a payments rail, not a brand architecture.

Q10 C — Structure is not a competence score for one firm.

Q11 B — A dealer term can be negotiated; that is the micro test.

Q12 B — Publics affect the firm whether they buy or not.

Q13 A — SO = strength on opportunity.

Q14 B — ST = strength against threat.

Q15 B — WT is defensive.

Q16 B — Many differentiated sellers: branding has work.

Q17 B — Few sellers watch each other.

Q18 A — Distinctive input plus hard switching = supplier power.

Q19 B — A different means to the visit-job is substitution.

Q20 A — R is why SWOT is not yet the strategy.