

Seat No.: _____

Enrolment No. _____

GUJARAT TECHNOLOGICAL UNIVERSITY

MBA – SEMESTER 2 – EXAMINATION – SUMMER 2018

Subject Code: 2820005

Date: 31/05/2018

Subject Name: Marketing Management

Time: 10:30 AM To 01:30 PM

Total Marks: 70

Instructions:

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

Q.1 (a)	Select the most appropriate answer. Each question carries 1 mark.		06
1.	Mental accounting refers to the way consumers _____, categorize and evaluate financial outcomes of choices.		
	A. Understand	B. Perceive	
	C. Code	D. Interpret	
2.	There are _____ stages in the business buying process.		
	A. Three	B. Eight	
	C. Four	D. Nine	
3.	Which one is not a part of Michael Porter's five forces?		
	A. Industry Competitors	B. Potential Entrants	
	C. Wholesalers	D. Substitutes	
4.	A _____ is "Unpredictable" short lived and without social, economical and political significance.		
	A. Trend	B. Megatrend	
	C. Fad	D. None of the above	
5.	A _____ is a written document that summarizes what the marketer has learned about the market place.		
	A. Marketing Plan	B. Marketing Strategy	
	C. Both	D. None of the above	
6.	Which of the following is not a channel for direct marketing?		
	A. Direct mail	B. Telemarketing	
	C. Hoarding	D. Catalog Marketing	
Q.1 (b)	Attempt the following questions. Each question carries 1 mark.		04
	1. Define POP and POD. 2. Define Customer Equity 3. Define Push strategy 4. Define Viral marketing		
Q.1 (c)	Review the Evolution of earlier marketing ideas.		04
Q.2 (a)	Consider Holistic Marketing Orientation Model. What implications do they have for marketing planning ? How would you structure a marketing plan to incorporate some of it's concepts?		07

	(b)	Elaborate that value chain is a tool for identifying key activities that create value and cost in a specific business.	07
		OR	
	(b)	Give the new product development decision process and also quote example of new product development of any product of your choice.	07
Q.3	(a)	Buying process starts long before the actual purchase and has consequences long after ward. Explain the above sentence with the help of "stage model" of the buying decision process.	07
	(b)	Write in brief about the major segmentation variables for consumer markets. How firms evaluate the various segments and decide how many and which one to target?	07
		OR	
Q.3	(a)	Pick any industry and take example of market leader of your choice and list the strategies adopted by market leader to remain dominant.	07
	(b)	Write in brief about the three main sets of brand equity drivers.	07
Q.4	(a)	Think of the various pricing methods. As a consumer, which method do you personally prefer to deal with? Why?	07
	(b)	Give the width and length of product mix of any company of your choice. Taking example of any product explain the marketing strategies adopted at various stages of PLC.	07
		OR	
Q.4	(a)	Marketing channels are characterized by continuous and sometimes dramatic change. Write about the three most important trends of the channel development.	07
	(b)	What are some of your favorite TV Ads? How effective are the message and creative strategies? How are they building brand equity?	07
Q.5		Case Study Tea Tablets Mr Kaushik Ghosh was deputy general manager, product development, in a tea processing company, Nai Chai Private Ltd. True to its name the company took pride in introducing new products to cater to the changing needs of its customers. Kaushik Ghosh was a key person for achieving this distinction for the company. The management of Nai Chai appreciated Kaushik's contribution and was liberal in giving him good perks. Kaushik travelled extensively to continuously feel the pulse of different segments of tea drinkers. He himself was very fond of well-brewed tea, especially in the morning. His close friends knew that Kaushik suffered during his travels because the four star hotels, where he was authorized to stay, charged exorbitantly for a cup of tea. The quality of the tea served did not need Kaushik's expectations, inspite of the high price. This invariably resulted in Kaushik's day beginning on an unpleasant note while on tour. He tried giving-up tea during the tours but this only added to his misery. A casual meeting with Mr. Nitesh Desai , chief of marketing of a multinational company, developed into a close relationship. Kaushik was quiet and methodical while Nitesh was a spontaneous person. The opposites in both attracted each other. A consequence	14

	of his friendship was the inputs that Kaushik got from the marketing expertise of Nitesh . Desai learnt that the problem of not getting good tea at acceptable prices was a universal one. Most travelers, at the level of managers, who had to travel while on duty faced with this problem. Kaushik's scientific mind started to analyze this problem and M/SNai Chai soon had a new product: "tea tablets" developed by Kaushik. These tablets were so designed that one tablet added to hot water [not necessarily boiling water] would produce a cup of tea without leaving any residue in the cup. It was proposed that these tablets be marketed in a number of grades to cater to the varying tastes of the customers with regard to the quantity of sugar, milk and the strength of the final product desired. Informally, Nitesh and Kaushik had evolved Marketing strategies for these tablets since both were very excited about the product. They felt that these tablets would not only satisfy the long pending demands of the touring community, but would also prove a boon to men living alone. It was argued that a majority of men need hot water in morning to shave. They could heat an extra cup of water to have a hot cup of tea brewed to their taste: strong, normal or light:, two spoons, one spoon or no sugar ; more milk, less milk or no milk, etc. Everyday a new target group came to light to the two enthusiasts, e.g. old men who get up early and have to wait for others to wake up and prepare a cup of tea for them; students preparing for their examinations, etc. Nitesh added that many would also use these tablets due to their snob value. Initially, the management of Nai Chai was merely amused by the new tablets. But the enthusiasm of the duo was infectious and the management soon realized the potential of these tablets. They decided to adopt introductory low prices for these tablets and planned a national launch. The finance department recommended caution and to keep the possible losses under control in case the tablets did not succeed in the market. After much discussion, a budget of Rs. 10 lakh was approved for advertising and sales promotion during the launch and the remaining fourth quarter of current financial year. It was informally agreed that this level of advertising and sales promotion expenses could be planned for the first quarter of the following year too. The management agreed to review the condition and consider an upward revision of the following year's budget by the first week of march depending on the results achieved by that time. The managing director turned towards you, the advertising chief manager ,said," Ghosh has done his job well and the sales boys are keen to capitalize on this excellent development. You are the interface between the two. The management has been liberal with the advertising and sales promotion budget. There is a need to launch these tablets and maintain an effective campaign. Design your campaign and submit the broad outlines to me, say in 10 days.' Ten days are over and your report must now be submitted. Prepare the same. Q. Design a campaign for the launch and subsequent six months' advertising and sales promotion strategy for the newly developed tea tablets.	
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Q.5	Or
	Case Study Nivea Line Extension New Product Line: In May 2007, Beiersdorf AG, the German company which owns Nivea, a major global skin and body care brand, launched a new line of products under the 'Nivea for Men' name in India. The Nivea for Men line included two new fairness products - a Whitening Moisturizer and Multi-White Whitening Facial Foam. (In addition to the whitening products, the Nivea for Men line also included Deodorant Aqua Cool, Multi Protecting Facial Foam, Moisturizing Shaving Foam, and Shaving Gel.) The launch of the Nivea for Men line in India marked the company's entry into the male grooming segment in the country. In India, Nivea had been primarily known for its moisturizing creams. The launch of the new line was supported by extensive promotional activity, including television and print advertising, as well as a large number of point-of-sale activities. The early 2000s had witnessed an increased interest in personal grooming among men. According to analysts, men were becoming more conscious of their looks, as in the business world as well as in society, a lot rode on how a person presented himself. The grooming fad was not limited to men in the corporate field; it had spread to college goers and youngsters too. It also helped that a large number of celebrities were becoming increasingly voluble about their personal grooming habits. Competition: The Indian cosmetics industry was quick to latch on to the phenomenon. Surveys carried out by cosmetics companies suggested that a large number of Indian men were using fairness creams that were originally targeted at women. For example, a study conducted by Emami Industries (Emami) in the early 2000s showed that 29% of the users of fairness creams were men. Going

	by this trend, companies started developing men's grooming products that went beyond shaving products and deodorants. In 2005, with the launch of 'Fair and Handsome', Emami became the first company in India to launch a fairness cream exclusively for men. Emami had collaborated with Activor Corp. of the US as well as several herbalists and dermatologists in India to create the product. Because Fair and Handsome was a category creator, its launch was supported by heavy promotion. The theme of the company's advertisements revolved around bringing out the fact that a large number of men used women's fairness creams. One of the first advertisements showed a young man secretly using a women's fairness cream, all the while fearing that he would be caught by his friends. Emami also marketed its product by emphasizing that women's creams did not work on men because of the differences in their skin types, and the differences in the conditions to which they were exposed to on a daily basis. In the first 11 months after its launch in mid-2005, the sales of Fair and Handsome were reportedly Rs. 160 million. Fair and Handsome was followed in 2006 by Hindustan Lever Limited's (HLL) Fair and Lovely Menz Active, another fairness cream for men. HLL used the brand strength of one of its most popular products, Fair and Lovely, in launching this product. Menz Active was also launched amidst heavy promotion. Analysts said that the launch of Menz Active would intensify the competition in the men's fairness products segment. The total size of the grooming products market in India was estimated to be worth Rs. 8.0 billion in 2007. In its foray into the Indian men's fairness cream market, Nivea took a different approach, targeting a distinct customer segment. According to Nivea India's Managing Director, Kai Boris Bendix (Bendix), the company's target customers were upper and middle class men with their premium brand line. On the other hand, Emami and HLL targeted both the urban and rural markets, cutting across the segment. Future Plans:	
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	Bendix also said that his company expected to grow the men's fairness cream market in a different direction, rather than take market share away from competitors. In India, Nivea's share in the cosmetics and toiletries segment stood at 0.2 % as of mid-2007. It was expected that if these companies' products performed well, then it would encourage Nivea to launch new lines of cosmetics exclusively for men. Questions 1. Explain what is meant by a premium brand and why Nivea considered among the consumer as premium brand? 3. Outline the purpose of Nivea for their launch of 'Nivea for Men' in India. Don't you think that this launch will dilute the brand meaning Nivea has created ?	
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