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**SDM COLLEGE OF ENGINEERING & TECHNOLOGY, DHARWAD**

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**Department of Management Studies**

**Semester End Examination, January 2018**

**Sub Code : 16PMBAC103**

**Semester: I**

**Sub Title : Marketing Management**

**Duration : 3hrs**

**Max Marks: 100**

**Part – A: Compulsory**

**1. a. Choose and write the correct option; each carries 1 mark**

- i. \_\_\_\_\_ goods constitute the bulk of most countries' production and marketing efforts.  
A) Impulse B) Physical C) Luxury D) Intangible
- ii. A salesperson sends e-mails to persuade prospects to buy the products of his company. This is a type of \_\_\_\_\_ marketing.  
A) viral B) virtual C) word-of-mouth D) direct
- iii. The marketing plan, the central instrument for directing and coordinating the marketing effort of a company, operates at the \_\_\_\_\_ levels.  
A) functional and operational B) strategic and tactical C) corporate and operational D) corporate and division
- iv. \_\_\_\_\_ advertising aims to create brand awareness and knowledge of new products or new features of existing products.  
A) Informative B) Reinforcement C) Persuasive D) Reminder
- v. Which of the following would be the best illustration of a subculture?  
A) a religion B) a group of close friends C) a society D) your occupation
- vi. Which of the following elements of the marketing communications mix involves a variety of short-term incentives to encourage trial or purchase of a product or service?  
A) advertising B) direct marketing C) personal selling D) sales promotion
- vii. Establishing and communicating the distinctive benefit(s) of the company's market offering for each target segment is called \_\_\_\_\_.  
A) market research B) market positioning C) market segmentation D) market dominance
- viii. \_\_\_\_\_ are sets of interdependent organizations participating in the process of making a product or service available for use or consumption.  
A) Marketing channels B) Communication channels C) Sales territories D) Marketing

terrains

- ix. Which of the following terms is most closely associated with the statement: "attributes or benefits consumers strongly associate with a brand, positively evaluate, and believe that they could not find to the same extent with a competitive brand"?
- A) points-of-inflection B) points-of-difference C) points-of-parity D) points-of-value
- x. When consumers examine products, they often compare an observed price to an internal price they remember. This is known as a(n) \_\_\_\_\_ price.
- A) mark-up B) market skimming C) target D) reference

**b. Case Study: Read the case and answer questions provided at the end.**

Launched in September 1994, Kellogg's initial offerings in India included cornflakes, wheat flakes and Basmati rice flakes. Despite offering good quality products and being supported by the technical, managerial and financial resources of its parent, Kellogg's products failed in the Indian market. Even a high-profile launch backed by hectic media activity failed to make an impact in the marketplace. Kellogg realized that it was going to be tough to get the Indian consumers to accept its products. Kellogg banked heavily on the quality of its crispy flakes. But pouring hot milk on the flakes made them soggy. Indians always boiled their milk unlike in the West and consumed it warm or lukewarm. They also liked to add sugar to their milk. They also liked to add sugar to their milk. When Kellogg flakes were put in hot milk, they became soggy and did not taste good. If one tried having it with cold milk, it was not sweet enough because the sugar did not dissolve easily in cold milk. The rice and wheat versions did not do well. In fact, some consumers even referred to the rice flakes as rice corn flakes.

A typical, average middle-class Indian family did not have breakfast on a regular basis like their Western counterparts. Those who did have breakfast, consumed milk, biscuits, bread, butter, jam or local food preparations like idlis, parathas etc. According to analysts, a major reason for Kellogg's failure was the fact that the taste of its products did not suit Indian breakfast habits. Kellogg sources were however quick to assert that the company was not trying to change these habits; the idea was only to launch its products on the health platform and make consumers see the benefit of this healthier alternative.

**Questions:**

- i. What are the reasons for failure of Kellogg in India? Explain. (5 marks)
- ii. What strategies do you suggest for Kellogg to win in Indian market? Explain. (5 marks)

**Part – B**

**(Answer any 4 full questions)**

2. a) Explain the different steps involved in designing a marketing channel system. (10 marks)
- b) What are the different price adaptation strategies? Explain with examples. (10 marks)
3. a) Explain the importance of packaging as a marketing tool. What are the functions of labels? Explain. (10 marks)
- b) Explain the steps involved in business unit strategic planning process. (10 marks)

4. a) What are the factors that influence consumer behavior? Explain. (10 marks)
- b) Explain the major decisions in international marketing. (10 marks)
5. a) What are the tasks involved in positioning? Explain with examples. (10 marks)
- b) Explain the ten entities that are marketed. Give examples. (10 marks)

6. A new fast moving consumer goods (FMCG) company is planning to enter Indian market. Initially the company is considering entering the laundry market with products like 'Swastik' an economical detergent powder and bar, 'Star' a moderately priced detergent powder and bar and 'White Cloud' an expensive detergent powder and bar. The company may launch all three products or any one product initially. Based on the information, answer the questions below.

- a) Identify and define the suggested market segments for the three products. (10 marks)
- b) Which target market selection pattern the company should adapt? Justify your suggestion. (10 marks)

7. a) 'Swastika' is an ayurvedic moisturizer Cream with Shea Butter that prevents ageing and dehydration of the skin, protects skin against dryness and makes skin soft, beautiful and glowing. It is priced at Rs. 75 for 50 grams. You are required to develop a TV commercial for the product mentioning its target audience, positioning, the message, an ad story, preferred TV channels and mentioning time of the day during which TV ads should be broadcasted. (10 marks)

b) Parle-G is a brand of biscuits manufactured by Parle Products in India. According to a Nielsen survey of 2011, it is the largest-selling brand of biscuits in the world. Parle G has been the market leader in India. Today the company is facing intense competition from companies like Britannia and Patanjali and is trying to defend its market share. What strategies do you suggest for Parle G to protect its market share? (10 marks)

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## SCHEME & SOLUTIONS

### Part – A: Compulsory

**1. a. Choose and write the correct option; each carries 1 mark**

i) B    ii) D    iii) B    iv) A    v) A    vi) D    vii) B    viii) A    ix) B    x) D

**1. b. Case study:**

**i. Reasons for failure:**

*Difference in breakfast habits:* Indians consumed different regional items for breakfast like paratha, idli, dosa. Cornflakes were altogether different.

*Low importance to breakfast*

*Method of consuming milk:* Indians preferred hot milk and adding sugar to milk; hot milk made the cornflakes soggy and when cold milk was used, sugar did not dissolved in it. Thus Indian customers did not like the resulting taste. (5 marks)

**ii. Suggested strategies:**

*Adapt to Indian market:* launch breakfast items preferred by Indians, adapt intensive distribution, resort to heavy promotions, brand endorsement by doctors etc. (5 marks)

**Note:** Answer 1.b.ii. is an indicative answer. Other strategies can be considered depending on their appropriateness to the given situation.

### Part – B (Answer any 4 full questions)

**Ans. 2. a)** 1. Analyze customer needs, 2. Establish channel objectives, 3. Identify major channel alternatives, 4. Evaluate major channel alternatives. (10 marks)

**b)** 1. Geographical pricing, 2. Discounts/Allowances, 3. Promotional pricing, 4. Differentiated pricing (10 marks)

**Ans. 3. a) Packaging as a marketing tool:** 1. Self service, 2. Consumer affluence, 3. Company/brand image, 4. Innovation opportunity (5 marks)

**Functions of label:** 1. Identifies, 2. Grades, 3. Describes, 4. Promotes (5 marks)

**b)** 1. Business mission, 2. SWOT analysis, 3. Goal formulation, 4. Strategy formulation, 5. Program formulation, 6. Implementation, 7. Feedback & control. (10 marks)

**Ans. 4. a) 1. Cultural factors:** nationalities, religions, geographic regions

**Social factors:** reference groups, family, statuses, social roles.

**Personal factors:** age & life cycle stage, occupation, wealth, personality, lifestyle (10 marks)

- b)** Deciding whether to go abroad  
Deciding which markets to enter  
Deciding how to enter the market  
Deciding on the marketing program (10 marks)

- Ans. 5. a)** 1. Identify target markets  
2. Analyze competition  
3. Identify ideal points-of-parity  
4. Identify ideal points-of-differences  
5. Establish category membership  
6. Communicate category membership (10 marks)

- b)** 1) Goods, 2) Services, 3) Events, 4) Experiences, 5) Persons, 6) Places, 7) Properties,  
8) Organizations, 9) Information, 10) Ideas (10 marks)

**Ans. 6. a) Market segments:**

**Swastik:** urban & rural, Lower income households, who seek economy

**Star:** urban, middle income households, who seek value for money

**White Cloud:** urban, high income (upper middle class) households, who seek quality (10 marks)

**b) Target market selection pattern:**

*If any one brand is launched:* single segment concentration

*If all three brands are launched:* multiple segment specialization (10 marks)

- Ans. 7. a)** Target audience : Young and middle aged women  
Positioning : Anti ageing and for beautiful & glowing skin  
Message : A safer way for beautiful & glowing skin  
Ad story : any story that conveys the above message  
Preferred TV channels: General Entertainment Channels like Colors, Sony, Star..  
Preferred time : Prime time (10 marks)

**b) Proactive marketing:** 1. Responsive marketing, 2. Anticipative marketing, 3. Creative marketing

**Defensive marketing:** 1. Position defense, 2. Flank defense, 3. Preemptive defense, 4. Counteroffensive defense, 5. Mobile defense, 6. Contraction defense (10 marks)

**Note:** Answers 6 & 7 are only indicative. However other answers/strategies can be considered based on their appropriateness to the given situation.