

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA – SEMESTER 02 – • EXAMINATION – SUMMER 2018

Subject Code: 2820005**Date: 15/05/2019****Subject Name: Marketing Management (MM)****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) Answer the following multiple choice questions.**6**

- 1 A builder who has a full order book during a period of economic prosperity and leaves his potential customers waiting for work to be completed is most likely showing what type of business orientation?
 - A. Production Orientation
 - B. Marketing Orientation
 - C. Selling Orientation
 - D. None of the above
- 2 Marketing differs from the natural sciences because:
 - A. Marketing tends to deal with open systems whereas the natural sciences tend to deal with closed systems.
 - B. Marketing tends to deal with closed systems whereas the natural sciences tend to deal with open systems.
 - C. It is impossible to develop a systems perspective for marketing, unlike the natural sciences.
 - D. It is impossible to develop a systems perspective for the natural sciences, unlike marketing.
- 3 Marketers still refer to the A/B/C1/C2/D/E basis of classification because:
 - A. It is simple and there is shared understanding about the general characteristics of the people in each group.
 - B. It fully explains the link between each class and their buying behaviour.
 - C. It has never been improved upon.
 - D. There is a legal requirement to use it for reporting purposes.
- 4 A marketer needs to be aware of the criteria by which the effectiveness of

their segmentation procedures can be assessed. Which of the following is NOT a criterion for evaluating the resulting market segments?

- A. Perishability
 - B. Size of the resulting segment
 - C. Measurability
 - D. Accessibility
- 5 What does the acronym FMCG refer to?
- A. Fast moving consumer goods
 - B. Functional, mid-priced, or compulsory goods
 - C. Famous manufacturer's clothing goods (i.e. designer labels)
 - D. Frequent market, consumption goods
- 6 Which group of consumers likes to be seen to own something new and is therefore prepared to purchase a product while it is still expensive?
- A. Innovators
 - B. Early adopters
 - C. Early majority
 - D. Laggards

Q: 1 (b) Define Following: 4

- 1. Product Mix
- 2. Product Line
- 3. Customer Value
- 4. Brand Positioning

Q: 1 (c) Explain role of Event and Experience marketing in Mass communication 4

Q: 2 (a) What is Marketing mix? Explain marketing mix with consideration to Insurance Industry. 7

(b) What is Holistic Marketing? Explain various dimensions of Holistic Marketing with proper examples. 7

OR

(b) Explain Marketing research process with examples. 7

Q: 3 (a) Explain various stages of consumer buying process? Also discuss how marketers can identify about the stages in the buying process for their products? 7

(b) Explain various bases of segmenting a consumer market. 7

- (a) Explain role of Institutional and Government markets in various areas of marketing. 7
- (b) What is brand positioning? Explain the difference in brand positioning strategies adopted by Patanjali and Dabur in their various products. 7

- Q: 4 (a) Explain various stages of product life cycle with proper examples. 7
- (b) Explain new product development process. 7

OR

- (a) How online and social media platform change the concept of marketing – Discuss with suitable examples. 7
- (b) Explain role of traditional marketing platforms in modern era of marketing. 7

Q: 5 **Heinz Company – Direct marketing of Baked Beans** 14

There are still many marketing people who feel direct marketing is not a sensible method by which fast moving consumer goods manufactures should keep in touch with their customers. Many eyebrows were raised in the advertising community in 1994 when the Heinz Company announced that it was to cut its advertising budget and invest heavily in direct mail campaigns aimed at the end users of its products. The company had become too aware of the power of the major retailers who had developed their own brand ranges in direct competition with those of Heinz. The major retailers, it seemed, had become a major barrier to communication with its customers. With increasing saturation of advertising, the company embarked on a two – pronged strategy – it would use a reduced advertising budget to promote the brand values of Heinz, Stressing the heritage of the brand without promoting any specific products.

The second part of the strategy involved developing a data base to communicate with consumers about the particular benefits of individual products. This potentially provided a wonderful opportunity for profiling customers individually and targeting them with offers (such as trial money off vouchers) which took account of their preference. The dialogue was also valuable for launching new products to identifiable targets. Heinz developed a database initially from bought in lists, to which were added enquiries generated by the company. Consumers were targeted with a twice yearly

magazine which contained offers appropriate to the individual. The magazine aimed to encourage trial of products (facilitated by voucher offers) and loyalty (providing incentives for repeat purchase of designated products). To try to encourage the perception of Heinz as a friendly, trusted partner, the magazine included receipt suggestion and life style articles.

At the outset, skeptics had doubted whether it was realistic to sell low value products such as baked beans by direct mail. Could it ever be cost effective? Wouldn't the cost of running the direct mail operation further undermine Heinz's price competitiveness in comparison to the retailers' own brands? By offering incentives through its magazines was not simply buying loyalty? And is it possible to maintain a brand, let alone create one when the emphasis is on direct mail rather than advertising?

At the time of its launch, Heinz's venture was seen as an experiment into the unknown. Skeptics were partly vindicated in 1998 when the company quietly announced that it would run down its direct marketing efforts. Clearly, the cost effectiveness of talking to millions of people to promote low value products was poor in comparison to the benefits from mass media advertising.

Questions:

- a. Assess the role internet may play in Heinz's promotion and distribution strategy in future.
- b. Possible bases that Heinz may use to profile and target consumers of its products. To what extent is direct mail a suitable medium for understanding the attitudinal bases of consumer behaviour?

OR

Q: 5

The video recorder wars: The winning formula

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A battle took place in the mid 1970s between manufacturers of video cassettes and their associated players. Although Philips was first to market with its Video Cassette Recording system released in 1972, Sony, as with its Walkman concept, was first to really attract the market with its *Betamax* video format released in 1975. It quickly gained market dominance until challenged by JVC's *VHS*. These two formats were joined a year later by the Philips *V2000*; all of these system being incompatible with each other. The Philips machine despite having several superior features never really gained significant market share - not all of the superior features were offered on the cheaper Philips models, which also suffered from poor video quality and a lack of mechanical

reliability. For all these reasons the format never gained substantial market share and was withdrawn in 1985, leaving the Sony and JVC to battle it out for video supremacy. Sony was confident that its superior performance and high market share would see it defeat the new JVC upstart, but it made the cardinal marketing blunder of not responding to the needs of its potential customers.

Although consumers were impressed with Sony's marketing and the quality of its players, they wanted something quite different. Sony initially restricted the recording time of its player to one hour; suitable for television programmes, but not for the recording of films which formed the basis of a growing video rental market. Movie and video studios turned their backs on Sony and JVC were able to offer by far the largest range of rental titles on its 'Long Play' system. In addition, consumers wanted an affordable video player. JVC had made the decisive strategic move of licensing its technology to a range of electronic manufacturers; competition between which kept the price of VHS recorders well below that of Sony's machines. Despite the perceived quality advantage of the Sony, demand was price sensitive and by 1981, the market share held by *Betamax* tapes had fallen to below 25%.

In 1988, Sony began to market its own *VHS* machines and at that point it was evident that the *Betamax* format was dead. In recent years, both Betamax and VHS have been replaced by DVDs. The last Sony *Betamax* machine was manufactured in 2002 and the last dedicated JVC *VHS* unit was produced in 2007.

- a. Explain the importance of research and development in the process of new product development.
- b. Analyse the relationship between the product life cycle and the marketing mix.
