

Seat No.: _____

Enrolment No. _____

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA – SEMESTER 02 – • EXAMINATION – SUMMER 2015**Subject Code: 2820005****Date: 28/12/2015****Subject Name: MARKETING MANAGEMENT (MM)****Time: 02.30 PM TO 05.30 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) Find the correct option. Each is carrying 1 mark.

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- 1 The _____ consists of the physical good or delivered service that provides the expected benefit. It consists of many factors, for example the features and capabilities, the durability, design, packaging, and brand name.
 - a. Core products
 - b. Embodied products
 - c. Augmented products
 - d. Premium products
- 2 It is a method in which various products are combined at the same price.
 - a. Promotional pricing
 - b. Captive product pricing
 - c. Optional product pricing
 - d. Product-bundle pricing
- 3 Entry of laggards is in which stage of Product Life Cycle
 - a. First
 - b. Second
 - c. Third
 - d. Fourth
- 4 When a manager focuses on making whatever products are easy to produce, and then trying to sell them, that manager has a _____ orientation.
 - a. Marketing
 - b. Production
 - c. Sales
 - d. Profit
- 5 Market segmentation which is on the basis of personality, motives, lifestyles, and geodemographics is called:
 - a. Geographic Segmentation
 - b. Demographic Segmentation
 - c. Psychographic Segmentation
 - d. Behavioral Segmentation
- 6 A relatively inexpensive item that merits little shopping effort:
 - a. Consumer product
 - b. Shopping product
 - c. Convenience product
 - d. Specialty product

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Q – 1 (B) Give the meaning of the following. Each is carrying 1 mark.

1. Physical Evidence
2. Form Competition
3. Differentiated Marketing
4. Unsought Product

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Q – 1 (C) Explain in detail the marketing management philosophies.

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Q – 2 (A) Explain the concept of Product Line Stretching. Also explain what is down market stretch, up market stretch and two way stretch with suitable examples.

- Q – 2 (B) When you are selling your product you are solving your problem but when you are marketing a product you are trying to solve your customer's problem." Explain the statement with the help of some suitable examples. 7
- OR**
- Q – 2 (B) Suggest the market segmentation strategy for the following products: 7
1. Herbal Hair Oil 2. Reverse Osmosis System
- Q – 3 (A) Discuss the environmental factors which influence the consumers' willingness and ability to buy a four wheeler? 7
- Q – 3 (B) Explain in detail the business buying process for new task buying. 7
- OR**
- Q – 3 (A) Explain various stages of product life cycle with appropriate marketing strategies for each stage. 7
- Q – 3 (B) Explain the concept of Market-Skimming Pricing and Market-Penetration Pricing with suitable examples. 7
- Q – 4 (A) Explain the New Product Development Process with special emphasis on Concept Development. 7
- Q – 4 (B) Explain the consumer decision making process with suitable examples. 7
- OR**
- Q – 4 (A) Suggest the promotion mix with justification of the selection for the following products: 7
1. A five star hotel 2. Personal Computer
- Q – 4 (B) Define the type of channel intermediaries and describe their functions and activities. 7
- Q – 5 **Case – Kellogg's Special K** 14

Kellogg's is the leading producer in the cereals and convenience food industry, globally. It was formed in the year 1906 in Battle Creek, Michigan. It has had a history of providing healthy breakfast for more than 100 years. Today, it sells its products in more than 180 countries and has its manufacturing base in 18 countries. It markets more than 1500 products worldwide, which includes more than 100 ready-to-eat cereals. Kellogg's entered the Indian market in 1995 and has invested over 150 crores.

The traditional Indian breakfast in India consists of roti, paratha, poori, dal, upma, dosa, idli, fish, etc., depending on which region people come from. Kellogg's products were alien to the Indian market. Kellogg's to establish itself in the Indian market had to face many challenges like non-acceptability of goods, lack of adaptability, unchanged traditional eating habits, skepticism for processed food, and price sensitive customers. Kellogg's fought through these hurdles and successfully penetrated in the Indian markets using various marketing strategies. It created awareness of its product by educating people about benefits of eating cereals for breakfast. Innovative marketing along with efficient brand-building activities and an efficient supply chain network, enabled Kellogg's to create its market in the breakfast segment in India.

Gradually, with increase in the acceptability of Kellogg's products in the Indian market, Kellogg's expanded its range of products. It launched a new brand called **Kellogg's Special K**, which consisted of cereals, bars and snacks. This brand was offered as a low-fat breakfast option. The target consumers were the working, and health-conscious women. However, this product was not very successful in the beginning. Kellogg's then made a comeback with a better advertising strategy. It then made appointed the actress Lara Dutta as its brand ambassador. In the TV commercial she promoted the product by stating that the secret behind her maintained physic is eating Kellogg's Special K everyday for breakfast. The USP of this product was that it was 98% fat free, full of fibre, Vitamin A, B and C. It is made from wheat and is coated with honey for taste.

The product for good reviews but Kellogg's limited its market to a niche customer base. Anupam Dutta, MD, Kellogg's India said to Business Standard, "the brand meets a specific customer need, has been growing at a terrific pace across the globe. It took nearly 50 years to deliver annual sales of \$1 billion, but took only two years to grow annual sales to \$1.5 billion. Plus it targets Indian customers who are getting increasingly health conscious."

Questions:

1. Kellogg's Special K products are only meant to target weight and health conscious women. Is this positioning right?
2. What are the advantages and the disadvantages of this positioning? Is Kellogg's restricting its market?

.OR

Q – 5

Case – Facebook

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Facebook was found in 2004 by Mark Zuckerberg in the United States. With more than 3.2 crore active users, India is the third biggest market for Facebook after United States and Indonesia. Increasing internet penetration due to cheaper access and proliferation of the internet enabled phones; Facebook has been able to increase its activity in India rapidly. Given the trends in further increase in the internet in social networking websites the popularity of Facebook is only expected to soar higher in the coming times.

Due to the aforementioned reasons, many companies have now established their own pages on Facebook to connect with their customers. Companies from diverse fields like FMCG, automobiles, hospitality, retail, fashion labels, entertainment, and telecom use Facebook for advertising, communication and promotional activities. According to a study by Socialbakers, the top 5 brands on Facebook India are Tata Docomo, Kingfisher, Fastrack, Vodafone Zoozoozs, and Pepsi India. Apart from the big brands, smaller, and relatively unknown brands have also used Facebook quite effectively to create awareness about themselves and build a fan following. Choco Tale, a Gurgaon based chocolate boutique run by a mother and daughter, was able to garner corporate orders pan-India after they reached out on Facebook. Surprisingly, some of these small brands have even outperformed their bigger counterparts in terms of fan following and interactivity. Brands like Wildcraft are far stronger than some of the bigger names like Reebok and Idea Cellular. The success of the aforementioned brands indicates that social networking Web sites can create strong consumer following.

Apart from the corporate brands, Facebook is also being used for promoting social causes, sports. Tata tea used the medium for urging people to vote, while Aircel used it for promoting its "Save the Tiger Campaign." Similarly, companies such as Airtel and Volkswagen used the platform to promote soccer and polo, respectively. Some of the possible reasons that can be attributed to the growing preference for digital media for marketing activities are no recurring costs, better customer engagement levels, improved visibility and virility. With the rising popularity of social media, companies have also increased their ad spend on this medium, allocating around 30-40% of their overall marketing budget on social media.

Questions:

1. How does a company benefit by advertising on social networking sites?
2. Does advertising on social networking sites merely help in creating awareness or does it actually influence the consumption behavior of the customers?

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