Time allowed: 1 hrs 30 min   Max Marks: 30

Case Study- Procter & Gamble: Using Market Research to build brands

P&G is the number one U.S. maker of household products, with nearly 300 brands in five main categories; baby, feminine, and family care; fabric and home care; beauty care; health care; and food and beverages. As of 2015, the company delivered products to nearly five billion consumers in more than 140 countries around the world. The stated purpose of the company is to "provide products and services of superior quality and value that improve the lives of the world's consumer."

Over time Procter & Gamble has proven to be an innovator in creating brands and understanding consumers by making extensive use of marketing research. Building brands has been a cornerstone of P&G's success. The marketers at P&G undertake marketing research to determine a brand's equity and then make sure everyone understands it, because that drives every decision made about the brand.

P&G thinks of marketing in many of the same ways that they used to. They have always thought about the consumers and why the product would be relevant to the consumers. They believe in catering to the experience of the consumer. Their principles of marketing haven't changed, but their methods of targeting and identifying consumers have changed to meet the increasingly complicated consumer base. They have changed their key strategy from mass marketing to consumer targeting. Marketing research has revealed targeting as the future of brand marketing and brand management. P&G believes this takes much more than a focus group, and they want to spend time with consumers and understand their behaviours.

One of the areas that P&G researches constantly is the in-store experience of the consumer. They see this as another way of connecting with consumers and making their experience a better one. One of the ways they enhance this is by partnering with retailers and developing the in-store experience to please their consumers. Pleasing the consumers has become more difficult today because the consumer has less time and more expectation. Packaging is also important in conveying a message to the consumer. It is a key challenge because labelling has become more complex and consumers are demanding more. P&G marketing has been innovative and pioneering over the years and one would expect the same from

them in the future. They are constantly using marketing research to solve the problems of today and to build brands that will continue to be leaders tomorrow.

Recently, P&G ran a promotion activity, in which discount coupons were sent to customers. Data collected for a sample of 537 in-store credit card transactions at a retail store. Following table shows a portion of the data set. Customers who made a purchase using a discount coupon are referred to as promotional customers and customers who made a purchase but did not use a discount coupon are referred to as regular customers. Because the promotional coupons were not sent to regular customers, management considers the sales made to people presenting the promotional coupons as sales it would not otherwise make. Of course, the company hopes that the promotional customers will continue to shop at its stores. P&G wants to make some managerial decision on the collected data.

Data fields (variables), description and there coding instruction are given below:

Sl.	Variable	Description	Coding instruction
1	id	Identification Number	
2	Gender	gender	0 = female, 1 = male
3	Age	Age	In years
4	Customer_type	Type of Customer	1=Regular, 2=Promotional
5	Items	No of items purchased	NONE
6	Payment_method	Method of Payment	1 = "Discover" 2 = "Master Card" 3 = "Visa" 4= "American Express" 5="Others"
7	Marital Status	Marital Status	1= Married 2= Single
8	NetSales	The total amount ($) charged to the credit card	In $

Questions:

(CILO 1)   (Marks 10)

Ques1. Discuss the role that marketing research can play in helping P&G build its various brands. For the variables given in above table formulate one research problem which will aide P&G in taking their management decision.

(CILO 2)

Ques 2.For the following SPSS output table

Group Statistics

	Gender	N	Mean	Std. Deviation	Std. Error Mean
Net Sales	Male	301	41441.78	19499.214	1213.968
	Female	236	26031.92	7558.021	514.258

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means							
										95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Net Sales	Equal variances assumed	119.669	.000	10.945	472	.000	15409.862	1407.906	12643.322	18176.401
	Equal variances not assumed			11.688	344.262	.000	15409.862	1318.400	12816.728	18002.996

    i. State and interpret the hypothesis for homogeneity of variances.   (marks 05)

    ii. State and interpret the hypothesis for independent sample t test.   (marks 05)

(CILO 3)   (marks 10)

Ques3. Knowing the importance of a research report for a researcher. Sketch the outline of what all you will include in the Synopsis of the research report? (Not more than 250 words)