PGDM (Insurance Business Management), 2020-22
Marketing Management
INS-104
Trimester – I, End-Term Examination, October, 2020

Time allowed: 2½ Hours Max Marks: 50 Roll No: ___________

Instruction: Students are required to write Roll No on every page of the answer sheet.

Note: Please be relevant and brief in your answers. Section B is compulsory.

Section-A

There are 3 questions in this section. Each question carries 10 marks. (Min. 200 words)

A-1. **Critically examine** as to how changes in the technology effect the marketing strategies ? Explain with some suitable examples. (CILO 1)

OR

A-1. From insurance industry perspective **evaluate** Indian market using PESTLE & Porter's five factor model. What are the three most attractive proposition for a new entrant here in India. (CILO 2)

A-2. Digital and Social marketing is getting strong foothold. What are the favorable factors for this change ? **Justify** your stand. (CILO 3)

OR

A-2. **Discuss** the importance of STP in formulation of marketing strategy. Why is positioning so important in marketing of goods / services ? Supplement with suitable examples. (CILO 2)

A-3 **Analyze and explain** as to why the understanding of consumer behavior is so important in marketing ? Explain with examples. (CILO 2)

OR

A-3. **Outline** the origin of service marketing. What are the five characteristics of service Marketing ? Explain with examples.

Glossary of key words

Analyze : Find the relevant facts and examine these in depth. Examine the relationship between various facts and make conclusions or recommendations.
Discuss : To consider something in detail; examining the different ideas and opinions about something, for example to weigh up alternative views.
Explain : To make something clear and easy to understand with reasoning and/or justification.
Justify : Support an argument or conclusion. Prove or show grounds for a decision.
Outline : Give a general description briefly showing the essential features.

P.T.O.

Section B *Case Study* ***20 Marks (CILO 1)***

It's India's D2C moment, and more and more brands are realising the power of going directly to the consumer. For Forbidden Foods, the challenge is not about going D2C or not, because, in a category such as snack foods, there's very little incentive for the consumer to purchase directly from the company. Instead, Forbidden Foods is planning to go the retail and aggregator path for its BRB Popped Chips.

Founded in 2018 by former BIRA 91 executives, the company is targeting the missing ingredients in the packaged snacks space in India — product innovation and brand identity. With their collective experience in the FMCG sector, the founders have taken the health and format as their USPs.

Created using specialised equipment in Germany, the popped chips are neither baked nor fried and are said to have 60% lower fat content than regular chips or wafers.

"At the end of the day, no packaged food can be healthy. However, we firmly believe that this is an indulgence category, and when people are consuming this, they are going down a guilty pleasure," said Krishan, highlighting its products' significantly healthy attribute.

Launched in January 2020, BRB Popped Chips is the first product from the Forbidden Foods stable and began with availability in Delhi NCR. Currently, the distribution is done through 500-plus retail outlets.

With Covid-19 in the picture soon after BRB was launched, Forbidden Foods quickly decided to partner with aggregators such as Amazon, Big Basket, Milkbaset and Super Daily. Mr. Krishan claimed 40% of the sales during this period came from retail channels, while the same was seen through ecommerce and grocery delivery platforms, while the remaining 20% came through vending machines and other channels. "Unfortunately, the pandemic and lockdown hit all of us, but now, we are slowly starting to see a recovery in retail in the last couple of months," Krishan told us.

Pricing wise, the BRB chips are priced between Rs 30-40, which is steep compared to the ocean of options available in the market at a cheaper price point which also claim to have the right healthy qualities. This is where Forbidden Foods' social media engagement is trying to make a difference and trying to acquire users online in a manner similar to D2C brands, even though the purchase may not happen online.

Despite its D2C ethos, Forbidden Foods is a retail-first brand at the moment. However, beyond its extensive frontline force of sales executives and merchandisers, it is using mapping demand, fulfilment and more using salesforce automation (SFA) tools and distribution management system (DMS).

"The entire sales and fulfilment process is done using these apps and there is no manual intervention. This also allows us to have a fairly decentralised org structure with a real time dashboard for top management to monitor," Krishan said about the tech backend that keeps a retail-focussed brand going in the D2C era.

Technology will of course play a crucial role in ensuring wide outlet coverage as the company scales to more cities, especially for high order fill rates and to eliminate out-of-stock situations, which is a big turn off for new adopters. Mr. Krishan feels that this tech-driven approach gives the company an execution moat which not many competitors are willing to do, or able to do. He added that there is a lot of heavy lifting required to build such a capacity even before the technology takes over.

Another area where Forbidden Foods does a D2C-like job is in branding and marketing , which includes memes and contests on social media. “This builds a loyal following and engagement, and most importantly, reinforces the brand through a physical product that consumers can use in their daily life,” added the cofounder. “We are so confident with our products that we want to lead with it. Once people try it out, there will be repeat customers.”

As indicated earlier, the company makes its chips in Germany and raw material is sourced from around the world. For instance, potatoes are sourced from France, sweet potatoes from the US and seasoning and spices from India. The company will soon be bringing this production facility to India. “We are already in the process of setting up this unit, and this facility of ‘Popped Chips’ manufacturing will be first in the country,” he added.

Naturally, this would result in lower production cost and the company plans to pass on the cost savings to the consumers by lowering the prices in the future. This, in a way, will reinforce the affordable premium positioning of the snackfood as well. Mr. Krishan claims the manufacturing facility will enable Forbidden Foods to innovate on new product development more rapidly and get them to market faster.

From a product perspective, currently, Krishan claims that the company has developed over 50 flavours, both in-house and in partnership with research labs, out of which only four are launched in the market. “In the next three to four years, we aim to be present in 50K retail stores across 10-15 cities, including Mumbai, Pune, Bengaluru among others.”

“With this upcoming facility, we are fully committed to the ‘Make in India’ initiative, where we will be bringing cutting edge food processing technology to the country.”

Q 1- Critically valuate the proposed business model of Forbidden Foods viv-a-vis the current competitors in Indian market (Marks 12)

Q 2 – Will it be a good idea to reduce the pricing of the product post start of the manufacturing in India as proposed ? Give reasons for your stand (Marks 8)