

PGDM (IB), 2020-22
Marketing Management II
IB-207

Trimester – II, End Term Examination: Jan 2021

Time allowed: 2 Hrs 30 Min
 Max Marks: 50

Roll No: _____

Instruction: Students are required to write Roll No on every page of the question paper, writing anything except the Roll No will be treated as **Unfair Means**. All other instructions on the reverse of Admit Card should be followed meticulously.

Sections	No. of Questions to attempt	Marks	Total Marks
A	Minimum 3 question with internal choices and CILO (Course Intended Learning Outcome) covered Or Maximum 6 questions with internal choices and CILO covered (as an example)	3*10 Or 6*5	30
B	Compulsory Case Study with minimum of 2 questions	20	20
			50

Section A

Q1. Pl. fill up the shaded portion in the box below with the numbers for the Markstrat game played by you. CILO-2 (10 marks)

		Explorers	Shoppers	Pros	Hi. Earners	Savers	Total
Segment size in units	<i>KU</i>						
	<i>%Total</i>						
Segment size in value	<i>M\$</i>						
	<i>%Total</i>						
Average price	\$						
Expected growth rate in period 1	%						

Market characteristics in period zero

Or

Q1. What is the difference between budget increase and a loan? Explain. Fill up the shaded portion in the table below. CILO-2(2+3+5 marks)

	Period 0	Period 1	Period 2	Period 3	Period 4	Period 5	Period 6	Period 7	Period 8
Revenue K\$	60000	69000	79350	91253	104940	120681	138784	159601	183541
Costs K\$	39000	44850	51578	59314	68211	78443	90209	103741	119302
EBT K\$									
% Rev									

Case A: Simplified P&L statement. No loan or budget increase

	Period 0	Period 1	Period 2	Period 3	Period 4	Period 5	Period 6	Period 7	Period 8
Revenue K\$	60000	69000	79350	91253	104940	120681	138784	159601	183541
Costs K\$									
EBT K\$									
% Rev									

Case B: Simplified P&L statement with \$ 5 million granted as budget increase in period 2

	Period 0	Period 1	Period 2	Period 3	Period 4	Period 5	Period 6	Period 7	Period 8
Revenue K\$	60000	69000	79350	91253	104940	120681	138784	159601	183541
Costs K\$	39000	44850	51578	59314	68211	78443	90209	103741	119302
Principal K\$									
Interest K\$									
EBT K\$									
% Rev									

Case C: Simplified P&L statement with \$ 5 million granted as loan for 5 years in period 2, @5% interest rate

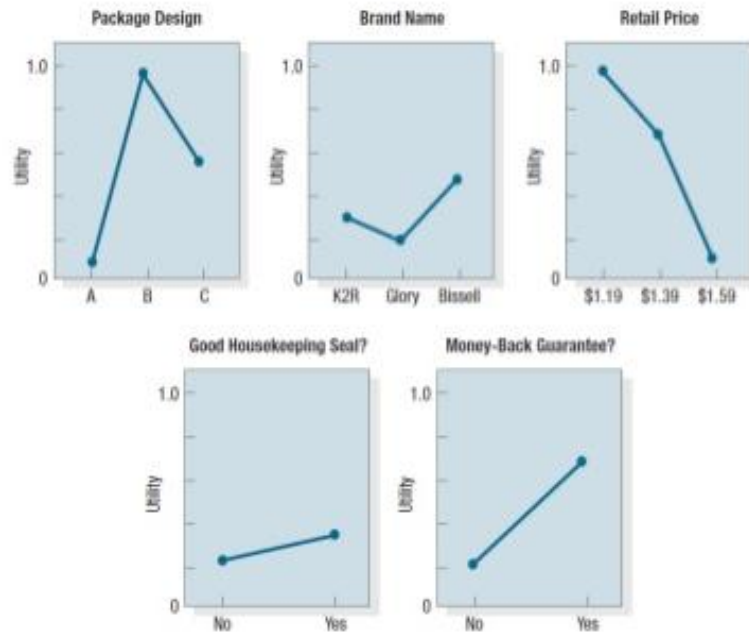
Q2. (a) Variable cost per unit: Rs 12, Fixed cost= Rs 2, 80,000, Expected unit sales: 70,000, manufacturer wants to earn 25% markup. Calculate unit cost and markup price. CILO-1 (2x2.5marks)

(b) Show the % increase in price for the case where the increase in profit is 33.33%. The volume and cost can be assumed to remain the same in both the cases. CILO-1 (5 marks)

Or

Q2.

- Three package designs (A, B, C)
- Three brand names (K2R, Glory, Bissel)
- Three prices (\$1.19, \$ 1.39, \$1.59)
- A possible good housekeeping seal (yes, no)
- A possible money back guarantee (yes, no)



Utility functions based on conjoint analysis, 0: low utility, 1: high utility, the greater the difference between the highest and the lowest utility; the more important the attribute

- (i) Which are the two least important attributes and why?
- (ii) List out 10 least important combinations for the above 5 attributes.
- (iii) How many possible product concepts can be prepared with the above five elements?
CILO-1, (2x2 + 0.5x10 + 1 marks)

Q3. One plus entered India in the year 2014 with the mobile phones. Trace out the evolution of its distribution system over the last 5 years. How has the product portfolio evolved over the last 5 years?
CILO-2 (2x5 marks)

Or

Q3. List the challenges faced by a distributor and a retailer in the course of selling the products. How to minimize the conflicts in channel sales? Explain using margin %.
CILO-2 (2x5 marks)

Section B

ITC's Savlon brand to touch Rs 1,000 crore sales this fiscal

By Writankar Mukherjee , Last Updated: Oct 07, 2020, 05:03 PM IST

Synopsis: The growth of Savlon is both due to heightened demand for health and hygiene products during the Covid-19 pandemic and ITC expanding its distribution and product portfolio.



Read more at:

https://economictimes.indiatimes.com/industry/cons-products/fmcg/itcs-savlon-brand-to-touch-rs-1000-crore-sales-this-fiscal/articleshow/78534465.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

Talking to newsmen in a virtual meet on Wednesday, Satpathy said Savlon will be the first brand in the personal care business division to touch this revenue milestone. The brand had reported Rs 250 crore sales in 2019-20.

The growth of Savlon is both due to heightened demand for health and hygiene products during the Covid-19 pandemic and ITC expanding its distribution and product portfolio.

The company has launched nine products under Savlon during the pandemic such as disinfectant spray, mask, cloth spray, wipe, soap and body wash.

“Savlon was growing at a five year CAGR of 50% year-on-year. The pandemic and our efforts have accelerated the growth and we are on track to grow four times this fiscal,” said Satpathy. “Savlon has become 15-16 times more than when we acquired the brand,” he said.

When ITC had acquired Savlon, along with Shower to Shower brand, from Johnson & Johnson five years back, the brand used to clock Rs 50 crore sales.

Till last fiscal, Vivel was the largest brand in the personal care business of ITC with sales of Rs 500 crore followed by Engage deodorant almost close to it.

ITC's food brands are the biggest with Aashirvaad atta and dairy products at Rs 6,000 crore last fiscal, followed by Sunfeast biscuit at Rs 4,000 crore, Bingo! snacks (Rs 2,700 crore), Classmate stationery brand (Rs 1,400 crore) and YiPPee in (Rs 1,300 crore).

The company's floor cleaner brand Nimyle, which it had acquired two years back, has

crossed Rs 150 crore and the brand has expanded into East and South. ITC has also expanded it into vegetable wash across the country. "Nimyle has become four times the size of what it was when we acquired," said Satpathy

ITC has expanded its health and hygiene product manufacturing capacity 3-5 times since the pandemic and is also planning a new personal care plant in the East.

Q1. ITC's SAVLON brand is setting up scorching pace of sales in the country in the current pandemic times. Is it more to do with improved distribution or there are other reasons to it? CILO-3(10 marks)

Q2. Is increasing product width a good strategy for ITC's Nimyle? CILO-3 (10 marks)
