

PGDM, 2021-2023
Marketing Management - I
DM-108

Trimester – I End-Term Examination: October 2021

Time allowed: 1 hr 30 min
Max Marks: 30

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	3 questions with internal choices and CILO (Course Intended Learning Outcome) covered	3*5	15
B	Compulsory Case Study - 2 questions	2*7.5	15
			30

Section A

Answer one alternative from each of the three questions below) **3 X 5 = 15**

(Word Limit for each question: 500 words)

Q1a. Discuss the evolution of Marketing commencing from the Production concept to its present stage. What were the reasons for the changes in perspective that led to each successive stage? (CILO 1)

OR

Q.1b) Outline the factors that contributed to the rise of Consumer democracy in India. How real is the saying "The Consumer is King" and is this true for all industries? Justify your stand. (CILO 1)

Q2a) Explain Marketing Myopia - its causes and implications .Give examples of three different industries which have suffered from it and the reasons for their decline. What are the options before a company selling laptops in India to avoid this fate. (CILO 2)

OR

Q2b) Drawing on the Ansoff Matrix and /or other concepts learnt in the MMI course develop comprehensive Marketing strategies for substantially improving the market share of Domino's Pizza (currently 70%) and Honda currently (5%) in the car Indian market. (CILO 2)

Q3a). With the help of Porter's 5 Forces model assess the industry attractiveness of the the Management Education market in India. Based on your assessment, outline your market entry strategy for a newcomer aiming to break into the top 20 institutes in the next 5 years. (CILO3)

OR

Q3 b) Select any two competing companies marketing apparels and operating in the global market which have also entered India. How has each positioned itself and what should be the Marketing strategy employed by each of them to remain competitive ?

(CILO 3)

Section B

Read the case on the next pages and answer both the questions following the case
(Each question carries 7.5 marks) 2 X 7.5 = 15 (CILO 1, 2, 3)

MAKING HORLICKS GREAT AGAIN

HEALTH FOOD DRINK MARKET IN INDIA

India is one of the biggest market for health food drinks. Estimated to be around 5,500 crores*, it contributes to nearly 50%* of the total health and nutrition category. Owing to urbanization and increased incomes, the HFD market has grown phenomenally over the last decade. South India has the largest market share in malted drinks, followed by east and north.

However, in the last year or so, while the overall health and nutrition space witnessed significant growth, the HFD category has not been able to keep pace with the growth momentum. The category grew by just 0.8%* between January and September 2016

(*Euromonitor, Nielsen, Live Mint)

FACTORS AFFECTING THIS STEADY DECLINE

- 1. INCREASING NUTRITIONAL SECURITY:** HFD's success is attributed to fulfilling a nutritional deficiency among kids. However, over the years increased family incomes gave mothers an access to a variety of nutritionally rich food alternatives. So, from being a crucial purchase, HFD's have slowly become a convenient and more importantly a substitutable source of nutrition.
- 2. SHIFT TOWARDS MORE NATURAL AND ORGANIC:** The backlash against packaged food has not even spared the HFD category. For nutrition, parents are looking for age-old, natural and wholesome food alternatives and are even okay to pay a premium for it. They are trying to add more millets, grains in their child's diet instead of supplementing nutrition with HFD's.
- 3. INFLUENCER GROUP TURNING IT DOWN:** In earlier times, HFD's like Horlicks, Complan and Bournvita enjoyed recommendation by doctors, health experts and nutritionists. However, with the expanding nutrition basket and advent of specialized nutrition supplements the category no longer enjoys recommendation by the influencer group.

KIDS INFLUENCING PURCHASE: For years, the responsibility of making nutrition choices rested with mothers. However, in recent times kids say in the purchase decision has become very important. Mothers are forced to choose nutrition alternatives which are loved by kids - which is where the HFD category has started to face competition from more exciting and modern foods like tasty breakfast cereals, juices etc.

ABOUT HORLICKS

Pegged at Rs 3,000-crore Horlicks, for the record, leads the Rs 5,500-crore (Rs 55 billion) health food drink category with a share of almost 46-47 per cent, according to Nielsen data (2016) sourced from the industry.

Brought to our shores by Indian soldiers of the British Army at the end of World War II, Horlicks, founded by two British brothers, James and William, grew rapidly till the seventies as milk was in short supply. The brand was considered as the great family nourisher - a spoonful could be stirred even in water for daily nourishment.

As the nutrition needs and demand evolved the brand also evolved itself by launching specialized variants for specialized nutrition needs. And the iconic family nourisher, evolved itself to be the best nutrition supplement for growing kids aged 8-14 years. The brand promise of Taller, stronger sharper (holistic growth) has allowed Horlicks to differentiate itself from competition which focuses on certain/specific growth parameters only.

COMPETITIVE LANDSCAPE INDIA

The HFD category is divided into two broad types – brown HFD's and white HFD's with and without cocoa powder. The latter enjoys a big share of the market, led by Horlicks and Complan respectively

Also, from a geographic point of view, India is divided into two market types: South-east and North-West. South-east historically has been a big HFD market owing to the milk

deficiency in this region, whereas North-west is more of a milk-modifier market as the trust on the nutrition of milk is very high. In SE, Horlicks has been a leader for years, whereas, in NW Bournvita enjoys leadership.

As south and east India continue to be the biggest markets for HFD's, Horlicks remains to be the overall market leader. And therefore, the onus to grow the category lies with Horlicks. However, in the last recent year or so as the overall category saw a decline, Horlicks also had to bear the brunt of it. In 2016, for the first time the brand witnessed a single digit growth owing to the following dynamics:

1. Lack of Criticality: Mums no longer believed their kids were nutritionally deficient, as a result of which they had begun to substitute Horlicks with a whole host of other food & beverage items. Also, increased belief in home-cooked food started affecting Horlicks negatively.
2. Lack of Conviction: Rooted in science, the brand has always stood for best-in-class nutrition. However, with increasing pressure from more specialized supplements, Horlicks science credibility is also under pressure. The Horlicks 'Expert' who appeared in most of the brand's advertising and was once an unimpeachable source of scientific credibility has now become a blind spot.
3. Lack of Connect: Worst of all, kids find Horlicks boring and have begun to gravitate towards more fun, inspirational brands such as Boost & Bournvita.

DRIVERS OF CONSIDERATION FOR THE CATEGORY (in order of importance)

- Brands child asks for

- Last three months usage
- Popular
- Brand Love
- Nutrition
- Overall health benefits
- Confidence
- Value for money
- Trust
- Doctor's recommendation

1. Generalist Vs Specialist: With players like Pediasure, the category has started to divide between generalist and specialists. While the former grew sluggishly, the latter witnessed 7-8X(approx.) growth hinting at changing consumer preferences.

2. New Entrants in the market: Nestle brought back Milo after a decade with its ready to drink format at a reasonable price point (Rs.30/180 ml). Another global major Danone entered the category with Protinex Grow in the core HFD markets Bengal and Karnataka.

TASK

- The task is to provide a marketing strategy that details out the way forward for Horlicks - bringing back growth impetus to the HFD category through brand Horlicks.
- How do we re-ignite relevance and drive consumption among consumers?
- And more importantly how do we engage with kids who are currently choosing other brands they love like Bournvita, Boost, Kellogg's Chocos, Real etc. over us?

Questions:

1. As the newly appointed Marketing Manager of Horlicks, what would be your Marketing strategy for bringing Horlicks back to the non-negotiable nutrition basket – the gold standard of nutrition for growing kids?
2. Identify the right positioning and messaging platform for targeting the consumer and develop an appropriate communication message for the brand.