

PGDM (IB), 2021-23
Marketing Management-I
IB-109

Trimester – I, End-Term Examination: October, 2021

Time allowed: 1Hrs 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 choice	3*5	15
B	Compulsory Case Study with minimum of 2 questions	15	15
			30

SECTION A

A1a. Explain the Market Expansion Grid popularly known as Ansoff Matrix with the help of examples.

OR

A1b. Good Marketing is no accident but a result of careful planning and execution, it is said. Explain the statement with the help of the example of Godrej's ChotuKool

(CILO1)

A2a. A successful marketing company is one which delivers customer value. Explain what is 'customer value' and how mobile wallets like Paytm delivered value to its customers through their offerings?

OR

A2b. How in your view has TATA Swach an innovative water purifier launched by Tata succeeded in 'Designing, and Delivering Value' to its customers?

(CILO 2)

A3a. Marketing orientations of a company may differ from being production oriented to societal. Describe how operations of a product oriented company selling wrist watches might be different from the operations of a market oriented one. Which orientation, in your opinion may be more suited to a company targeting urban middle and upper class? Justify.

OR

A3b. Milk is an undifferentiated generic product. How do some brands like Amul and Mother Dairy use the 4 Ps of marketing to differentiate their products? (CILO3)

SECTION B Case Study

Read the attached case and answer the questions at the end. Each question carries 7.5 marks

(CILOs 1,2,3)

LUX – THE BEAUTY SOAP

Lux was the first mass market toilet soap in the world launched in 1924. Hindustan Lever launched it in India in 1929, and the soap has remained the largest personal wash brand. As a brand, *Lux* chose the path of celebrating beauty. Instead of just personal hygiene, it conveyed that users of *Lux* are more beautiful or, one step further, people who use *Lux* become more beautiful. The company identified the needs and fancies of the consumers and included them in the product: fragrance, quality of lather, long-lasting, value-for-money product, familiarity and belief. These gave a sense of reliability and quality. Thus, *Lux* it has remained a favorite toilet soap brand for a long time.

Lux was initially aspiration brand and the endorsements by stars further reinforced the positioning. The increasing competition in the soap category forced *Lux* to rethink on its targeting strategy. The brand had a choice either to compromise on market share and uphold the premium positioning or to retain the market share and dilute the positioning. Hindustan Unilever (HUL) wanted to ensure that the brand was positioned as premium brand, but it also did not want to compromise on its market share. Thus was born *Lux* international which is the premium variant, and the affordable segment was catered by *Lux* beauty soap.

Lux beauty soap was available in four variants: Exotic Flower Petals, Fruit Extract, Almond and Sandal. It had a common ingredient of milk cream in all the variants. The international version was differentiated on the basis of its ingredients while the popular version, *Lux* beauty soap was always projected as a “pure and mild” solution to soft and smooth skin. The new varieties are *Lux* strawberry and cream and *Lux* peach and cream.

Lux has always advertised itself as the favorite soap of film stars. It has maintained consistency in its communication, and has now turned into a classic example of successful celebrity endorsement. The first celebrity to endorse the brand was the Bollywood actress, Leela Chitnis. It maintained consistency in its advertising by leading actress such as Hema Malini (1970s), Sridevi (1980s), Juhi Chawla (1990s), Kareena Kapoor, and others. *Lux* has by now managed to rope in more than 50 leading film stars of Bollywood for its endorsement. The latest ad of *Lux* features Aishwarya Rai and Abhishek Bachchan together in a very happy mood. But, in all these communications, the focus has been on brand rather than celebrity. Thus the brand attained a personality of glamour.

Over the years, the positioning of *Lux* also evolved. Earlier, the brand used the positioning “Beauty Soap of Film Stars”. But as the customer evolved, the positioning lost its charm because customers began to doubt whether the film stars actually used this brand. Addressing this concern, *lux* had then started the innovative campaign “We bring out the star in you” This idea – “bring out the star in you” – placed the consumer at the heart of the brand’s attempt to provide value to customers. This value went beyond the functional deliverables of soap, beyond bathing and the bathroom to the world outside. It promoted a world where, with *Lux*, an ordinary person can impact her world with her own star quality. Hindustan Unilever (HUL) was quite aware that with the beauty queens as their endorsers, both the female and the male consumers would be attracted to its fold. This concept attempted to bring the brand closer to its consumers and to give it a more youthful and contemporary image, in sync with the times although worldwide the brand is being endorsed by film stars, the actual package usually contains picture of international models and not film stars alone.

In 2005, *Lux* celebrated its 75th anniversary, sparking off a controversy. Deviating from its tradition of roping in Bollywood beauties, HUL roped in Shah Rukh Khan to endorse *Lux*. The ad created instant controversy with marketers discussing whether the brand has decided to target at the male segment. Some argue that HUL was testing a new positioning to appeal to male users while others say that it was a one-time endorsement to break the clutter. Whatever be the controversy, the brand again succeeded in creating excitement in the market. For marking the 75th year, *Lux* came out with a Celebration range endorsed by Bollywood actress Kareena Kapoor. The Celebration range too created news because of its variant: chocolate seduction. These innovative products created lot of excitement that ensured that *Lux* remained at the top of the minds of consumers.

The traditional *Lux* beauty bar has seen a change in strategy in the past few years. Instead of being differentiated on its perfume and colors, it is now being differentiated on the basis of its ingredients, which was the strategy used for its premium *Lux* International brand which has moved from being a soap brand to a skin care brand. *Lux* International has the tagline "Not Just Soap, Its Skin Care". HUL has also expanded the *Lux* umbrella brand by adding products like sunscreen, personal wash products like body shampoo, and hair shampoo.

HUL has also resorted to new marketing strategies like marketing *Lux* soaps in packs of four, giving "one soap free" for every pack of three ($4 \times 133 \text{ g} = 452 \text{ g}$) to attract families. There are also *lux* soaps of different sizes: small, medium and large, to fit in with the consumers' budgets.

Although *Lux* enjoyed success and has sustained its leadership position, of late the brand has been facing issues of stagnation. The stagnation is caused by the plethora of brands competing for the market share and the scope for differentiation has reduced to almost nil. Together with the rush for celebrities to endorse anything from salt to cars, *Lux* is finding it difficult to sustain growth in this cluttered market the crisis still remaining for *Lux* is the reduction in the number of repeat purchasers.

According to HUL's former Chairman Vindi Banga – "It is not that Indians bathe less often or indeed wash their clothes less often, but they are now down-trading to lower priced substitutes from higher-quality brands. A consumer who used to buy three cakes of *Lux* in a month is buying one *Lux* and two cheaper brands". For most of the soaps there isn't much real difference besides the superficial trapping like color, fragrance and wrappers. However, the affluent people are purchasing costlier soap like Dove, Santoor, Mysore Sandal and others.

QUESTION

Q.1 *Lux* has traditionally positioned the brand by highlighting on the theme of "beauty soaps of film stars". In your opinion, why has HUL adopted this approach instead of highlighting certain specific brand features of benefits?

Q.2 With your understanding of marketing and the consumer what suggestions will you offer to *Lux* to meet its challenges?
