

PGDM 2016-18  
Marketing Management I  
DM - 104

Trimester – I, End-Term Examination: September 2016

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**. In case of rough work please use answer sheet.

Sections	No. of Questions to attempt	Marks	Marks
A	3 out of 5 (Short Questions)	5 Marks each	$3 \times 5 = 15$
B	2 out of 3 (Long Questions)	10 Marks each	$2 \times 10 = 20$
C	Compulsory Case Study	15 Marks	15
		<b>Total Marks</b>	<b>50</b>

TURN OVER

## Section A

(Answer any 3 questions out of 5)

Max 300 words per answer

1. How true is it to say India is passing through a stage of Consumer Democracy? Are companies completely at the mercy of consumers? Justify your answer
2. With the help of a diagram explain the VALs system of segmentation. Can it apply to India? How or why not?
3. Discuss Theodore Levitt's concept of Marketing Myopia. Explain its relevance to today's cell phone marketers.
4. Distinguish between Distinctive Capabilities and Core Competences of an organization. Give examples of each with respect to any organization in the field of Consumer electronics or in the Computer industry in India.
5. What are the building blocks of Holistic Marketing? How is it achieved in an organization?

## Section B

(Answer any 2 questions out of 3)

Max 600 words per answer

1. Compare and contrast how any two telecom services operators in the Indian market have positioned themselves? As their new Marketing Manager what significant changes in their Marketing strategies / Brand Image would you want to implement?
2. Choose a company and a product it markets in the highly competitive Indian Consumer durable industry. How would you utilize the Ansoff matrix to expand your market for your product. Which of Porter's generic marketing strategies would you utilize and why?
3. 2. As posited by the Diffusion of Innovation theory, for any innovation introduced in the market there will always be late adopters and laggards who are difficult to pull in. You are the Marketing Manager of Apple introducing the latest I phone in India. You have huge targets and the "buy in" of late adopters and laggards is necessary for you to achieve your targets. What possible strategies could you adopt to pull them in, and, thus, achieve your stiff targets?

## Section C

Read the case on the next page and answer the questions that follow. All questions carry equal marks.



## MARKET INSIGHT 6.5

### MAGGI INSTANT NOODLES: 2 MINUTES TO GLORIOUS 25 YEARS

Maggi Noodles was launched in 1982 by Nestle India Limited as 'Maggi 2-Minute Instant Noodles' under the prepared dishes category. Since then, Nestle has stood its ground firmly in India, by setting its foundation as a well-known brand offering solutions to customers' wants in different segments.

Maggi noodles is one of those brand names for which the quote 'I came, I saw, I conquered' is apt. The brand replaced favourite Indian desi snacks such as samosas and kachoris with a hot bowl of Maggi Noodles.

Maggi used the tagline of 'fast to cook, good to eat' to woo Indians in the early eighties. Maggi understood the consumers' inertia and apathy to try new things. Indian consumers, at that time, were exhibiting interest in Chinese noodles, and Maggi launched its noodles to take advantage of this craze. It offered convenience to the housewife and at the same time did not undermine her involvement with the kids. The masala flavour made its way in to the minds of the consumers, and Maggi found a place in the monthly budget plan of a household.

The use of brand elements such as its tagline 'Fast to cook and good to eat' and its catchy jingle, 'Mummy bhok lagi hai' (Mummy I am hungry) helped in positioning the brand in the minds of its customers. Maggi targeted mothers with the convenience it offered and children with the fun element. The advertising campaign was followed by promotional activities such as trial pack distribution in schools.

During the nineties, competitors like Indo-Nissin launched Top Ramen—a similar product but with a twist in the taste. This ate into Maggi's market share. In 1997, Maggi tried innovating and a new flavouring agent named 'tastemaker' was added. However, this did little to recapture their lost market share and Maggi Noodles Masala was completely phased out. For two years, Maggi experimented with its noodles and a number of new variants were tried, including the Maggi Macaroni.



Maggi logo  
Courtesy: Nestle India

However, none of these innovations helped Maggi regain its erstwhile glory.

Finally, it re-introduced the original Maggi Noodles Masala in 1999, but this time, keeping in mind the market trend, they gave it a twist of being 'healthier' and 'tastier'. This proposition did wonders for them and within a year, it went back to becoming the market leader. The recall power of Maggi was so strong that eliminating the competition became easy for Maggi.

The Indian instant noodles market is expected to grow from ₹1.3bn to ₹30–35bn by 2015. However, with all FMCG majors eyeing the instant noodles segment, Maggi noodles is once again facing stiff competition. Organizations such as ITC, Glaxo Smithkline, and Big Bazaar have come up with their own variants of instant noodles. The market has been flooded with brands such as Yippie, Foodles, and Tasty Treat. Maggi has also started exploring new variants to combat competition and is coming out with new flavours. Now it is for us to wait and see how Maggi manages to retain its market share in the face of rising competition from FMCG majors.

Sources: Chamikutty (2010); Sharma (2010); Das (2007); Tomar (2011); Dutta (2012); and ICMR (2012).

- 1 Do traditional eating habits influence the positioning strategy for food products?
- 2 Discuss the factors that led to the decline in market share of Maggi noodles in the nineties.
- 3 Discuss the repositioning strategies Maggi noodles may adopt in order to combat rising competition from FMCG majors.