

PGDM (IB) (2015-17)
Marketing Management -I
IB-102

Trimester – I, End-Term Examination: September 2015

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*5 = 15
B	2 out of 3 (Long Questions)	10 Marks each	2*10 = 20
C	Compulsory Case Study	15 Marks	15
		Total Marks	50

SECTION A

- A1.** How have portals like irctc.co.in, bookmyshow.com and makemytrip.com delivered value to its customers through their offerings?
- A2.** Assume that you have decided to enter the wrist watch market. What market related decisions will you have to take?
- A3.** Explain how Dell has practiced mass customization?
- A4.** What is 'Holistic Marketing'? Explain the components of holistic marketing.
- A5.** The main tasks of Marketing Management are said to be 'Designing, Delivering and Communicating Value'. Explain.

SECTION B

- B1.** While Amul and Mother Dairy compete in marketing of milk – an undifferentiated generic product how do these brands use the 4 Ps of marketing to differentiate their 'offered' and 'delivered' products?
- B2.** Compare and contrast consumer and industrial marketing channels.
- B3.** Explain the Ansoff Matrix with the help of examples.

SECTION C
CASE STUDY

Read the article on the next page and answer the questions in the end.

TURN OVER

Section C

Case Study

In the 1970s P&G recognized a mass-market opportunity in the potato chips business in the US and decided to tap it. It banked on its time-tested strength in marketing, advertising and distribution.

Findings from MR

On the basis of its market research P&G found out that in the potato chips business there were two problems on the distribution front that hampered national-level marketing, these were:

- i. The fragile nature of the product rendered long distance dispatches unworkable; the product was being damaged during transit.
- ii. The chips got spoiled quickly, leading to its low shelf-life.

P&G felt that by solving these two problems, it could enter the industry as a national marketer and gather a sizeable share of the market.

P&G improved the product to suit distribution

P&G solved these two problems and entered the industry with Pringles. It ensured that Pringles did not break easily. It also tackled the 'poor shelf-life' issue by improving the product suitably. It tested the product prior to launch. The feedback it received said that consumers judged Pringles to be 'as good as' the competing brands.

Aggressive entry

P&G entered the business with a bang. It organized its distribution across the US and spent \$ 15 million on advertising during the launch, and \$ 50 million over a period of eight years. It followed the policy of premium pricing, keeping its price 10 per cent above competition. Its goal was having a 15 per cent share of the market and \$ 350 million sales revenue per annum by the second year of operation.

The downside

P&G did achieve that 15 per cent market share in the early period, largely on account of customers who were eager to try out a new product. Repeat purchases however, fell and market share fell to 10 % by the third year. The share continued to drop over time and by 1978 it reached to less than 7%. P&G thereafter continuously withdrew advertising and brand support for Pringles, as both revenue and market share continued to decline.

P&G found that now consumers were of the opinion that Pringles tasted 'artificial', even though earlier in blind taste tests, they had said it tasted 'as good as' other brands. P&G found that consumers now inferred the 'artificiality' from the very characteristics which, according to P&G, were its innovative 'add-ons'. Pringles was now uniform in shape and texture. It was not broken. It was neither burnt nor greasy. It was sold in red cans. It had better shelf-life as it now had some preservatives. In the opinion of P&G, however, these attributes were plus points of the product. The company wondered why despite the delivery of good value, the customers did not patronize Pringles.

Answer the following questions

- C1. What in your opinion is 'customer value'? (5)
- C2. What in your opinion went wrong with Pringles? (10)