

PGDM (RM), 2015-17
Marketing Management – 2
RM-204

Trimester – II, End-Term Examination: December 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

(Q1 is compulsory. Word limit per answer is 50 words)

- Q1. Write the names of various teams and brands of products used by various teams in Markstrat in your class.
- Q2. What is the logic used to decide the number of sales personnel in a distribution area?
- Q3. What is the difference between product line length and the product mix width? Illustrate using ITC, HUL and P&G.
- Q4. (a) What is 2 parts pricing? Give an example.
(b) What is by-product pricing? Give an example.
(c) What is product bundling pricing? Give an example.
(d) What is auction type pricing? Give 2 examples.
(e) What is geographical pricing? Give 2 examples.
- Q5. Explain 4 causes of channel conflict.

Section B

(Word limit per answer is 100 words)

- Q1. Differentiate between qualitative and quantitative research. Give 2 examples also.

Q2. Explain the concept of price elasticity of demand. In context of the case study Hanson Broadway musical do you think that the ticket pricing was price inelastic? Explain.

Q3. Rise of infomediary (which allows customers to search for, and provide comparison among many online retailers) has shifted the power to the customer. Give 3 unique examples to illustrate your point.

Section C

(Word limit for the case study is 150 words)

When celebrities turn toxic: Lessons from the Aamir Khan-Snapdeal fiasco

By Ravi Balakrishnan & Amit Bapna, ET Bureau | 2 Dec, 2015, 05.13AM IST

What can we learn from the Aamir Khan - Snapdeal imbroglio? The short answer: not much.

Aamir Khan and Snapdeal

Unless you spent the last week in a coma or some other blissful form of social media isolation, you are probably aware of Bollywood star Aamir Khan being pilloried for his alleged anti-national utterances. The hysteria surrounding his remarks spilled over to his most recent endorsement — Snapdeal (why the brand was singled out and why the angst didn't extend as much to Godrej, or Titan is a question to give many a corporate conspiracy theorist sleepless nights. Also why Big Basket appears to have escaped unscathed after its endorser Shah Rukh Khan's remarks on intolerance hit the headlines). Snapdeal posted a message er...snapping its ties with Khan's personal views and opinions and asserting its commitment to India — odd considering Khan didn't say anything that sounded like "I am going to leave the country and yes, I'm taking Snapdeal with me!" But it didn't entirely stem the tide of Indian netizens swearing off (and at) Snapdeal and downvoting its app unless Khan was 'fired'.

Amitabh Bachchan and Pepsi

In a speech at IIM Ahmedabad, Amitabh Bachchan claimed he'd stopped endorsing Pepsi after a child he met branded the cola as poison. Quite a radical turnaround from the time he tried to cadge Pepsi off a tot, the plotline to an old Pepsi ad. Industry opinion was divided on whether it was a belated attack of conscience or a churlish reaction to not being on the increasingly youth focused cola's roster. At the speech, Bachchan loftily claimed, "I tell this to my son Abhishek and to daughter-in-law Aishwarya also. If you have to endorse a product, then you have to conduct your life in such a manner that it does not affect others' lives."

Aishwarya Rai Bachchan and Kalyan Jewellers

Well obviously the daughter-in-law was not listening. An ad for Kalyan Jewellers featuring a dark skinned little page boy, subserviently holding an umbrella over a much bejewelled Aishwarya, brought in its wake online outrage and allegations of everything from racism to child labour. The actress blamed it on the creative treatment by the agency which she had no control over.

Marketing folk were given to idly dreaming of a world where consumers would not be passive recipients of ad messages, but actually engage in a dialogue. And now, when vast sections of the Indian internet have been doing just that, marketers are left to ponder over the cliché: be careful what you wish for, for it may come true.

If the outraging online mobs appear monstrous, blame it on marketers playing Viktor Frankenstein. It was brand owners who extended the remit of endorsements beyond just showing up for a shoot. Stars these days are paid to throw in favourable posts to their followers on social media: an unavoidable mini ad suddenly cropping up in a celebrity's feed or timeline. Actress Sonakshi Sinha reportedly charges `4 lakh to `5 lakh per tweet and can be seen pushing everything from Asus to Starbucks.

So, at a time when brands and their endorsers appear more inextricably intertwined, what's a brand to do when the celebrity suddenly becomes Public Enemy No 1? Or at least is considered one by the circle that shout the loudest online?

Is the brand like Snapdeal did expected to suddenly lay bare the very functional and transactional nature of the relationship? That the 'dil ki deal' that Khan waxed eloquent about was more about deal than dil? Is the brand supposed to stand by its endorser? And if it were the brand that was in trouble, as we've seen in the case of Maggi, can marketers expect its endorsers, past and present to return the favour?

We put these questions to several marketing and agency folk and the predominant response is confusion. What everyone can agree on is a more inclusive contract. Clauses that allow the brand to distance itself from a legal standpoint. Or ones that prevent celebrities from biting the brands that fed them. BBDO chairman, Josy Paul suggests there be, "A larger discussion beyond brand fit. We need to get into the actual ideology of people: their likely behaviour and a few 'what if' scenarios."

Jitender Dabas, head of strategic planning, McCann Worldgroup suggests getting more circumspect while hiring: "The risk occurs when you sign not just a celebrity but social figures who have a point of view. Unfortunately for them, there is nothing called a personal view when it is expressed on a media platform or even personal social media."

Some like Sourav Ray, chief strategy officer, Havas Worldwide suggests a cut back on endorsements: "Why not push agencies to come up with ideas that are fresh, interesting and support these with the same money?" The last of course is a tad Utopian because when things are going well — as they usually are — managers can bask in the pleasant afterglow of having suckered millions of people who showed up to read about a celebrity's next project or random observations, suddenly wading through an ad they'd have otherwise almost certainly ignored. If there's a better 'strategy' than hoping your celebrity doesn't screw up or if he does, the slaving hordes of the internet find something better to outrage about, we are yet to hear of it.

Q1. Celebrity endorsement is a twin edged sword. Explain in detail using the above case.
