

PGDM, 2013-15 / PGDM (IB), 2013-15

Marketing Research & Analytics

DM-534 / IB-508

Trimester – V, End-Term Examination: December 2014

Time allowed: 2 Hrs and 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. What is predictive modeling? Briefly describe how it can be used in marketing with an example.
- Q2. What is Van Westendorp model? What are the four questions that are used in this model?
- Q3. Give examples for Nominal and Ordinal scales. Briefly discuss what statistics are permissible on data collected with these scales.
- Q4. One of the questions asked by a researcher in a survey and the answer given by a respondent are given below.

Q	Why do you shop at Big Bazar?
Ans	To buy groceries It is recommended by a friend It is conveniently located

How can you improve the question? Do you need more than one question to obtain appropriate responses?

- Q5. Discuss the differences between dependence and interdependence techniques in multivariate techniques? Give two examples for each type of technique.

Section B

Q6a. What is simulated test marketing? Briefly describe the process involved in STM.

Q6b. The results of a concept test conducted by a leading research agency for a well known FMCG company for a new brand of soap are given below.

Purchase intention	%
Definitely buy	30
Probably buy	50
May or may not buy	10
Probably not buy	5
Definitely not buy	5

Previous research showed that 80% of those who said definitely would buy and 30% of those who said probably would buy, would actually buy the product. It is assumed that the company's advertising in first year of launch will result in 30% awareness and the product would be available in 50% of all the retail outlets in the country. What will be the market adjusted trial rate for the new product in first year of launch?

Q7. You will soon be able to enjoy Wendy's burgers in India. The world's third largest burger chain is coming to India through a tie-up with Sierra Nevada Restaurants Private Limited. McDonald's is the largest burger chain in the world, followed by Burger King. McDonald's and Burger King already have a presence in India. Nirulas, a home grown quick service restaurant, is also a likely competitor for Wendy's in India. The exact timeline of the launch of Wendy's stores in India was not immediately known. However, media reports suggest it could be anytime between April to June next year.

Before formally launching their first outlet in India, Wendy's management wants to have good understanding about Indian market and Indian consumers and hired you as their research manager. How can you use conjoint analysis to help Wendy's? Support your answer with suitable example. How can you assess the reliability and validity of conjoint analysis?

Q8a. Discuss the differences between perceptions and preferences data approaches to multidimensional scaling. What are the various methods of obtaining perceptions data?

Q8b. Interpret the output given in the next page, which was obtained from correspondence analysis. If you were to name the dimensions with the information given below, how do you name them?

Summary

Dimension	Singular Value	Inertia	Chi Square	Sig.	Proportion of Inertia	
					Accounted for	Cumulative
1	.709	.503			.628	.628
2	.399	.159			.198	.827
3	.263	.069			.087	.913
4	.234	.055			.068	.982
5	.121	.015			.018	1.000
Total		.801	3736.229	.000 ^a	1.000	1.000

a. 110 degrees of freedom

Overview Row Points								
image	Mass	Score in Dimension		Inertia	Contribution			
		1	2		Of Point to Inertia of		Of Dimension to Inertia	
					1	2	1	2
fattening	0.16	0.48	-0.36	0.05	0.05	0.04	0.56	0.19
low fat	0.10	0.82	1.07	0.11	0.25	0.09	0.48	0.50
traditional	0.08	0.66	-0.86	0.07	0.05	0.26	0.36	0.37
premium	0.08	0.38	-0.79	0.05	0.02	0.11	0.18	0.49
healthy	0.11	-1.62	0.22	0.22	0.37	0.01	0.96	0.01
caffeine	0.09	0.39	0.17	0.02	0.02	0.04	0.68	0.08
new	0.09	-1.34	0.24	0.14	0.22	0.01	0.92	0.02
attractive	0.08	-0.96	-0.04	0.06	0.10	0.00	0.95	0.00
tough	0.08	0.83	1.35	0.11	0.07	0.24	0.38	0.62

Section C

Read the "Baskin-Robbibns" case and answer the following questions

- Q1. Shoud the Baskin-Robbibns management go ahead with the new logo because focus group participants as well as senior management liked it? Substantiate your answer with suitable explanation.
- Q2. Can an experiment be conducted to address the issue of changing brand logo? If yes, suggest an appropriate experimental design.
- Q3. How can you convince the franchises to redesign their stores? Can research help in this? If yes, what questions do you include in the survey?

Baskin-Robbins: Can It Bask in the Good 'Ole Days?

It was early December 2008, and Baskin-Robbins Brand Officer Ken Kimmel had just returned from lunch. To his surprise, his walk from the parking lot to the Randolph, Massachusetts, headquarters building had quickly turned into a sprint. Kimmel was trying to avoid the chilly effects of a Nor'easter that was whipping most of New England with arctic winds.

Like the nasty weather that Kimmel had just escaped, the frozen-food retailing industry had become more hostile to Baskin-Robbins (www.baskinrobbins.com) in recent years. New entrants, such as Cold Stone Creamery founded in 1988, and others had popularized the in-store experience, with customers watching their ice cream creations being made before their eyes on cold stone slabs. For years, Baskin-Robbins had turned their back to Cold Stone Creamery's gains, in a similar way the Baskin-Robbins counter staff turned their back on customers to make a banana split. Cold Stone Creamery's sales were now almost 75 percent of Baskin-Robbins' sales.

In response, the Baskin-Robbins executive group along with Kimmel had recently moved to redesign stores, but it was not easy convincing the thousands of franchisees who ran the Baskin-Robbins stores to change. A store redesign could run up to \$50,000 and was funded mostly by the franchisees. One aspect of the redesign resulted in lowering the ice cream cases to make it easier for children to look down into the ice cream bins.

Another change being considered was changing the Baskin-Robbins logo to coincide with the redesign of store interiors. The logo appears on napkins, cone wrappers, spoons, cups, uniforms, and signs at each Baskin-Robbins store. The estimated cost for making such a change was \$5 million for Baskin-Robbins headquarters. Individual franchisees would have to invest about \$10,000 for the logo change to be made inside the stores.

Later that afternoon, Kimmel's brand group was deep in discussion about whether to change the brand symbol of Baskin-Robbins at the same time stores would be redesigned.

"The context has changed since the mid-1980s," visiting retailing consultant Zack Wheatly said. "Customers are

more demanding about the hospitality experience. They earn more money and they can buy comparable ice creams to Baskin-Robbins in grocery stores now."

Kimmel sensed it was time to mention recent strategy decisions by the Baskin-Robbins executive group.

"While our competitors are pushing this mix-in experience—a higher-priced theater experience—Baskin-Robbins has decided to focus on delivering a great value for our consumers in an accessible kind of environment," Kimmel responded. "The executive group has decided that we are going to focus on our new products as opposed to the theater of the business. As part of this new emphasis, we have recently begun highlighting innovations such as our own frozen coffee beverage—the Cappuccino Blast—and a fruit-based beverage—Bold Breezes. Carrying frozen custard is also on the horizon."

Marsha Davis, Kimmel's research director, took her turn in the conversation. "Is Baskin-Robbins such an established brand that the logo for Baskin-Robbins should not be overhauled?" Davis asked.

"I know what you are suggesting," Wheatly replied. "Conventional wisdom in this industry would say that one shouldn't tinker with an established brand."

"We have discussed this among ourselves here at headquarters with the CEO and other senior executives, and we have also invested in hearing from consultants in retailing communications," Kimmel said. "They think the decision to change the logo should be taken only after extensive deliberation and direct research with customers."

"Right," Wheatly said. "Analysts in the quick-service restaurant industry have reported in the trade journals that the new entrants have continued to grow faster than Baskin-Robbins—especially in the key metric of same-store sales compared to the previous year. What did the qualitative research say about the proposed new logos?"

Davis paused, dug in her briefcase, and removed the glossy printed versions of the old logo and the leading candidate among the proposed new logo. She put them both on the table facing the others.

"We talked with four focus groups in Chicago, LA, and New York, and they agreed that the Baskin-Robbins brand represented irresistible treats, smiles, and fun," Davis said. "They also liked this proposed logo that the senior executive group liked."

"So where do we go from here?" Kimmel asked.

"Because your management wants to make a change to the logo only if it is necessary, you should study your customers' attitude toward the new logo, so that you can explain whether a logo change is warranted," Wheatly said.

Everyone stopped talking to reflect on what was just said. After about 10 seconds, Kimmel raised an open hand to the group.

"Wait. This is beginning to remind me of the New Coke introduction," Kimmel said after some reflection. "Customers' subjective attachment to the old Coke was ignored, then. We need to ask about the old logo, too. Also, I know the senior executives want a clear margin of preference for the new logo. If the new logo is not preferred 2:1 in a head-to-head competition with the old one, we need to drop it."

Wheatly picked up the line of thought.

"OK, and now that you mention it, we also need to present the drawings of the new redesigned stores and have the customers respond to the old and new logos after understanding what our new stores will be like," Wheatly said.