

PGDM 18-20
Marketing Management -I
DM-105

Trimester – I End-Term Examination: September 2018

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. All other instructions on the reverse of Admit Card should be followed meticulously.

Sections	No. of Questions to attempt	Marks	Marks
A	3 out of 5 Questions	10 Marks each	3*10 = 30
B	Compulsory Case Study	20 Marks	20
		Total Marks	50

TURN OVER

Section A

(Word Limit for each question: 600 words)

- Q1.** Describe with the help of a diagram Porter's 5 Forces Model as applicable to any institute of your choice providing higher education in India. With the help of your model assess the industry attractiveness for the institute.
- Q2.** Drawing on the Ansoff Matrix and other concepts learnt in the MMI course develop comprehensive Marketing strategies for substantially improving the market share of Domino's Pizza (currently 70%) and Honda (currently 5%) in the Indian market. Clearly outline the reasons for expecting your suggested strategies for companies in very different market situations in widely divergent industries to succeed in intensely competitive environments.
- Q3.** Many people criticize marketing as being manipulative based on the arguments that marketing activities create needs where none previously existed. Marketers of SUVs, tobacco products, diet programmes and luxury products are typically criticized. Given what you know about the differences between needs and wants, do you agree with these critics? Explain with reference to the above products.
- Q4.** Draw a competitive grid for Nike and Adidas upper end athletic shoes, and a new athletic shoe, which as the Marketing Manager of a new Indian company, you would like to introduce in the same segment. Clearly delineate Key and Secondary factors for success of all three models and outline your marketing strategy for the new entrant based on your overall ratings.
- Q5.** Select any two competing companies marketing apparels and operating in the global market which have recently entered India. a) How has each positioned itself and through what Promotional measures have these positions been attained? b) Recommend the Integrated Marketing Communication strategy for the Indian market for each of these companies.

Section B

(Instructions: Read the case (4 pages) below and answer the questions that follow)

MAKING HORLICKS GREAT AGAIN

HEALTH FOOD DRINK MARKET IN INDIA

India is one of the biggest market for health food drinks. Estimated to be around 5,500 crores*, it contributes to nearly 50%* of the total health and nutrition category. Owing to urbanization and increased incomes, the HFD market has grown phenomenally over the last decade. South India has the largest market share in malted drinks, followed by east and north.

However, in the last year or so, while the overall health and nutrition space witnessed significant growth, the HFD category has not been able to keep pace with the growth momentum. The category grew by just 0.8%* between January and September 2016

(*Euromonitor, Nielsen, Live Mint)

FACTORS AFFECTING THIS STEADY DECLINE

- 1) INCREASING NUTRITIONAL SECURITY:** HFD's success is attributed to fulfilling a nutritional deficiency among kids. However, over the years increased family incomes gave mothers an access to a variety of nutritionally rich food alternatives. So, from being a crucial purchase, HFD's have slowly become a convenient and more importantly a substitutable source of nutrition.
- 2) SHIFT TOWARDS MORE NATURAL AND ORGANIC:** The backlash against packaged food has not even spared the HFD category. For nutrition, parents are looking for age-old, natural and wholesome food alternatives and are even okay to pay a premium for it. They are trying to add more millets, grains in their child's diet instead of supplementing nutrition with HFD's
- 3) INFLUENCER GROUP TURNING IT DOWN:** In earlier times, HFD's like Horlicks, Complan and Bournvita enjoyed recommendation by doctors, health

experts and nutritionists. However, with the expanding nutrition basket and advent of specialized nutrition supplements the category no longer enjoys recommendation by the influencer group.

4) KIDS INFLUENCING PURCHASE: For years, the responsibility of making nutrition choices rested with mothers. However, in recent times kids say in the purchase decision has become very important. Mothers are forced to choose nutrition alternatives which are loved by kids - which is where the HFD category has started to face competition from more exciting and modern foods like tasty breakfast cereals, juices etc.

ABOUT HORLICKS

Pegged at Rs 3,000-crore Horlicks, for the record, leads the Rs 5,500-crore (Rs 55 billion) health food drink category with a share of almost 46-47 per cent, according to Nielsen data (2016) sourced from the industry.

Brought to our shores by Indian soldiers of the British Army at the end of World War II, Horlicks, founded by two British brothers, James and William, grew rapidly till the seventies as milk was in short supply. The brand was considered as the great family nourisher - a spoonful could be stirred even in water for daily nourishment.

As the nutrition needs and demand evolved the brand also evolved itself by launching specialized variants for specialized nutrition needs. And the iconic family nourisher, evolved itself to be the best nutrition supplement for growing kids aged 8-14 years. The brand promise of Taller, stronger sharper (holistic growth) has allowed Horlicks to differentiate itself from competition which focuses on certain/specific growth parameters only.

COMPETITIVE LANDSCAPE INDIA

The HFD category is divided into two broad types – brown HFD's and white HFD's with and without cocoa powder. The latter enjoys a big share of the market, led by Horlicks and Complan respectively

Also, from a geographic point of view, India is divided into two market types: South-east and North-West. South-east historically has been a big HFD market owing to the milk

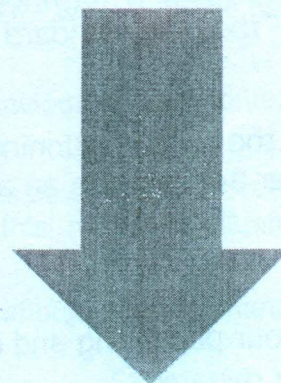
deficiency in this region, whereas North-west is more of a milk-modifier market as the trust on the nutrition of milk is very high. In SE, Horlicks has been a leader for years, whereas, in NW Bournvita enjoys leadership.

As south and east India continue to be the biggest markets for HFD's, Horlicks remains to be the overall market leader. And therefore, the onus to grow the category lies with Horlicks. However, in the last recent year or so as the overall category saw a decline, Horlicks also had to bear the brunt of it. In 2016, for the first time the brand witnessed a single digit growth owing to the following dynamics:

- 1) Lack of Criticality: Mums no longer believed their kids were nutritionally deficient, as a result of which they had begun to substitute Horlicks with a whole host of other food & beverage items. Also, increased belief in home-cooked food started affecting Horlicks negatively.
- 2) Lack of Conviction: Rooted in science, the brand has always stood for best-in-class nutrition. However, with increasing pressure from more specialized supplements, Horlicks science credibility is also under pressure. The Horlicks 'Expert' who appeared in most of the brand's advertising and was once an unimpeachable source of scientific credibility has now become a blind spot.
- 3) Lack of Connect: Worst of all, kids find Horlicks boring and have begun to gravitate towards more fun, inspirational brands such as Boost & Bournvita.

DRIVERS OF CONSIDERATION FOR THE CATEGORY (in order of importance)

Brands child asks for
Last three months usage
Popular
Brand Love
Nutrition
Overall health benefits
Confidence
Value for money
Trust
Doctor's recommendation



- 4) Generalist Vs Specialist: With players like Pediasure, the category has started to divide between generalist and specialists. While the former grew sluggishly, the latter witnessed 7-8X(approx.) growth hinting at changing consumer preferences.
- 5) New Entrants in the market: Nestle brought back Milo after a decade with its ready to drink format at a reasonable price point (Rs.30/180 ml). Another global major Danone entered the category with Protinex Grow in the core HFD markets Bengal and Karnataka.

COMMUNICATION TASK

- The task is to provide a communication strategy that details out the way forward for Horlicks - bringing back growth impetus to the HFD category through brand Horlicks.
- How do we re-ignite relevance and drive consumption among consumers.
- And more importantly how do we engage with kids who are currently choosing other brands they love like Bournvita, Boost, Kellogg's Chocos, Real etc. over us.

Questions:

1. As the newly appointed Marketing Manager of Horlicks, what would be your Marketing strategy for bringing Horlicks back to the non-negotiable nutrition basket – the gold standard of nutrition for growing kids (10 marks)
2. Identify the right positioning and messaging platform for targeting the consumer and develop an appropriate communication message for the brand (5 marks)
5. Outline your packaging and distribution strategy as per the changing consumer dynamics? (5 marks)