

**GUJARAT TECHNOLOGICAL UNIVERSITY**  
**MBA – SEMESTER II- • EXAMINATION – SUMMER-2015**

Subject Code: 2820005

Date: 29/05/2015

Subject Name: Marketing Management (MM)

Time: 10:30 AM TO 1:30 PM

Total Marks: 70

**Instructions:**

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

- | <b>Q. No.</b> |  | <b>06</b> |
|---------------|--|-----------|
| <b>Q.1</b>    | Two or more well-known brand are combined into joint product or marketed together in some fashion is known as _____  |           |
| (a)           | A. Ingredient                      B. Leveraging<br>1. branding<br>C. Image Branding      D. Co- Branding<br>_____ includes the activities in selling goods or services directly to final consumer for personal, non-business use.                   |           |
| 2.            | A. Wholesaling                      B. Retailing<br>C. Suppliers                      D. Distribution<br>_____ use of mail, telephone, fax, e-mail or internet or communicate directly with or dialogue from specific customer and prospects.        |           |
| 3.            | A. Personal Selling      B. Interactive Marketing<br>C. Direct Marketing      D. Word-of- mouth marketing<br>A(n) _____ is a person's enduring favorable or unfavorable evaluation, emotional feeling and actions tending toward some object or idea |           |
| 4.            | A. Belief                      B. Attitude<br>C. Response                      D. Value<br>_____ consist(s) of all brand-related thoughts, feelings, perceptions, images, experiences, beliefs, etc. that become linked to a brand "node."           |           |
| 5.            | A. Brand Cues                      B. Brand Loyalty<br>C. Brand                      D. Brand Discrimination<br>Association<br>Each culture consists of smaller _____ that provide more specific identification and socialization for their members. |           |
| 6.            | A. Ethnic Group                      B. Families<br>C. Peer group                      D. Sub-culture  |           |
| <b>Q.1</b>    | (b) (a) Advertising      (b) Point of Difference<br>(c) Brand Equity      (d) Reference Group  | <b>04</b> |
| <b>Q.1</b>    | (c) Explain the Concept of Customer perceive value and customer life time value?   | <b>04</b> |
| <b>Q.2</b>    | (a) Explain the concept of Holistic Marketing  | <b>07</b> |
|               | (b) "Marketing is applied to each and every entities" Justify the statement.   | <b>07</b> |

**OR**

- (b) Assume yourself as the Dealer of Hero products and design a mix of sales promotion tools for promoting the Hero bikes. **07**
- Q.3** (a) Distinguish between the consumer market and Industrial Market? **07**  
 (b) Which bases for the segmentation will you use for following products: **07**  
 LED, Luxurious Car, Sweets, Life insurance, e-books, Cosmetic products and Restaurant

**OR**

- Q.3** (a) Explain the price setting process in detail **07**  
 (b) Which factors will influence you while purchasing any FMCG products? **07**  
 Explain with the reasonable justification.
- Q.4** (a) Explain the Consumer buying behavior Process in detail? **07**  
 (b) An energy drink company is planning to introduce a new product in the market. Explain how this company can achieve success in launching of the product. **07**

**OR**

- Q.4** (a) Describe the five product levels that are a part of customer value hierarchy. **07**  
 (b) Different aspects/dimension of Service quality plays major role in marketing of service. How do these aspects/ dimensions affect the marketing of Health care services? **07**

### **Q.5 Case Study**

**14**

#### Coca Cola Marketing Strategies

In early 2002, Coca-Cola India (CCI) launched a new advertisement campaign featuring leading bollywood actor - Aamir Khan. The advertisement with the tag line - 'Thanda Matlab Coca-Cola' was targeted at rural and semi-urban consumers. According to company sources, the idea was to position Coca-Cola as a generic brand for cold drinks.

The campaign was launched to support CCI's rural marketing initiatives. CCI began focusing on the rural market in the early 2000s in order to increase volumes.

This decision was not surprising, given the huge size of the untapped rural market in India. With flat sales in the urban areas, it was clear that CCI would have to shift its focus to the rural market. Nantoo Banerjee, spokeswoman - CCI, said, "The real market in India is in the rural areas.

However, the poor rural infrastructure and consumption habits that are very different from those of urban people were two major obstacles to cracking the rural market for CCI.

Because of the erratic power supply most grocers in rural areas did not stock cold drinks. Also, people in rural areas had a preference for traditional cold beverages such as 'lassi' and lemon juice. Further, the price of the beverage was also a major factor for the rural consumer.

CCI's rural marketing strategy was based on three A's - Availability, Affordability and Acceptability. The first 'A' - Availability emphasized on the availability of the product to the customer; the second 'A' - Affordability focused on product pricing, and the third 'A' - Acceptability focused on convincing the customer to buy the product.

Once CCI entered the rural market, it focused on strengthening its distribution network there. It realized that the centralized distribution system used by the company in the urban areas would not be suitable for rural areas. In the centralized distribution system, the product was transported directly from the bottling plants to retailers. However, CCI realized that this

distribution system would not work in rural markets, as taking stock directly from bottling plants to retail stores would be very costly due to the long distances to be covered.

The company instead opted for a hub and spoke distribution system (Refer Figure II). Under the hub and spoke distribution system, stock was transported from the bottling plants to hubs and then from hubs, the stock was transported to spokes which were situated in small towns. These spokes fed the retailers catering to the demand in rural areas.

CCI not only changed its distribution model, it also changed the type of vehicles used for transportation. The company used large trucks for transporting stock from bottling plants to hubs and medium commercial vehicles transported the stock from the hubs to spokes.

For transporting stock from spokes to village retailers the company utilized auto rickshaws and cycles. Commenting on the transportation of stock in rural markets, a company spokesperson said, "We use all possible means of transport that range from trucks, auto rickshaws, cycle rickshaws and hand carts to even camel carts in Rajasthan and mules in the hilly areas, to cart our products from the nearest hub."

In late 2002, CCI made an additional investment of Rs 7 million (Rs 5 million from the company and Rs 2 million from the company's bottlers) to meet rural demand. By March 2003, the company had added 25 production lines and doubled its glass and PET bottle capacity. A survey conducted by CCI in 2001 revealed that 300 ml bottles were not popular with rural and semi-urban residents where two persons often shared a 300 ml bottle. It was also found that the price of Rs10/- per bottle was considered too high by rural consumers.

The initiatives of CCI in distribution and pricing were supported by extensive marketing in the mass media as well as through outdoor advertising. The company put up hoardings in villages and painted the name Coca Cola on the compounds of the residences in the villages. Further, CCI also participated in the weekly mandies by setting up temporary retail outlets, and also took part in the annual haats and fairs - major sources of business activity and entertainment in rural India.

CCI claimed all its marketing initiatives were very successful, and as a result, its rural penetration increased from 9% in 2001 to 25% in 2003. CCI also said that volumes from rural markets had increased to 35% in 2003.

The company said that it would focus on adding more villages to its distribution network. For the year 2003, CCI had a target of reaching 0.1 million more villages. Analysts pointed out that stiff competition from archrival PepsiCo would make it increasingly difficult for CCI to garner more market share.

PepsiCo too had started focusing on the rural market, due to the flat volumes in urban areas. Like CCI, PepsiCo too launched 200 ml bottles priced at Rs. 5. Going one step ahead, PepsiCo slashed the price of its 300 ml bottles to Rs 6/- to boost volumes in urban areas.

1. What are the reasons behind CCI entering the rural market
2. What were the strategy adopted by CCI to penetrate the rural market
3. How advertising can play a major role in the rural market

**OR**

### **Q.5 Case Study      Revitalizing Rasna**

**14**

Pioma Industries Ltd. (Pioma) is perhaps not a familiar name for the average Indian consumer. However, Pioma's brand 'Rasna' is very well known. In fact, the name Rasna is almost a generic name for soft drink concentrates (SDC), a segment that had been created and nurtured by the company in the Indian beverages market.

Rasna's extremely popular advertisements with the tagline, 'I love you Rasna,' had become an integral part of the Indian advertising folklore. In March 2002, Pioma announced a radical overhauling of its strategies for the Rasna brand.

This development was rather unexpected, as the brand had been lying dormant since long. Company sources revealed that these developments were in line with a restructuring program that had been conceptualized in mid-2001. Keeping in line with this plan, Pioma launched two new brands, Rasna Utsav (Rasna Festive) and Rasna Rozana (Rasna Daily) in March 2002.

The launch was accompanied by a multi-media advertisement campaign, for which the company allocated Rs 160 million. The television campaign that ran across all major national and regional channels featured a 'song' exclusively composed for the new launches.

A notable feature of this commercial was the fact that it was voiced by one of the country's most well known singers, Asha Bhonsle, who had never sung for any commercial before. Pioma soon released music cassettes and CDs featuring remixes of old, popular Hindi songs and the new Rasna song. In addition to this, the company sponsored musical events across the country. Industry observers were however, viewing the above developments as Pioma's desperate attempts to infuse fresh life into Rasna.

There were apprehensions regarding its success given the fact that previous attempts in form of brand extensions had failed to have any significant impact on Rasna's growth prospects. And unlike the late 70s, the average beverage consumer in India had a host of other options, such as colas, fruit juices, iced tea, tetrapacked juices and other soft drinks.

Most importantly, Rasna's stronghold in the SDC market was facing severe competition from Coca-Cola's newly launched Sunfill and Dr. Morepen's C-sip. Rasna's fading 'brand awareness' and its lacklustre image had become major hurdles, capable of marring the prospects of the new marketing overhaul exercise as well.

Pioma, an Ahmedabad (Gujarat) based company was the first to introduce the concept of SDC in India. Its proprietors, the Khambattas saw a huge untapped potential in the market with Coca-Cola, an MNC cola major, on the verge of closing all its operations in India, due to policy changes with regard to MNCs operating in India. At that point of time, there were no major players in the preparatory SDCs market. Pioma thus launched an SDC under the brand name 'Jaffe' in 1976 and marketed it with the help of Voltas. The brand name was changed to Rasna in 1979. Rasna's SDC, comprised a powder sachet and a small bottle of thick, coloured liquid. While the powder provided the taste, the liquid gave the flavor.

These ingredients had to be mixed with a specified amount of water and sugar. The resulting syrup could then be used over a period of time by mixing it with water

Though many analysts felt that Rasna's do-it-yourself concept would be cumbersome and hence unappealing to consumers, it became the very reason for its success. This was because Rasna was able to exploit the Indian middle class housewife's traditional distrust for food and drink not made at home.

Pioma finally decided to extend Rasna's brand portfolio and launched a pre-sweetened mix-and-drink product in 1996. Targeted at the upper end of the market, Rasna International was a nutritious and vitamin-enriched version of the regular Rasna SDC version. This was followed by the launch of Rasna Royal, positioned as a vitamin-enriched version of Rasna.

The major thrust of the company's restructuring exercise was to reach out to the masses and create brand awareness in towns and remote villages.

Emphasis was also laid on the availability of Rasna products in the price range of 80 paise per glass to Rs 4 per glass.

Till now, Rasna was available only in two price segments - Rs 4 and Re 1. The company's principal focus in 2002 was to increase the number of segments to make Rasna products more affordable to larger various sections of society.

The company also extended its strategy of Rasna being a mass drink to its global markets. Commenting on this, Khambatta said, "We have made sure that the Rasna International brand is placed along with the other preparatory soft drink brands such as Tang in international retail stores, and not in the Indian foods counter in those stores."...

Although Rasna succeeded in increasing its sales in mid-2002, few analysts were skeptical about the long-term success if revamping strategy. The entry of players like Coca-Cola, Kraft Foods, Dr. Morepen Labs and Hindustan Lever Ltd. and their financial muscle was expected to pose tough competition for Rasna in the future.

In 2002, Rasna was in the process of finalizing a joint venture with Del Monte, the largest producer of canned fruits and vegetables in the US to offer convenience foods...

1. What are dynamics of the soft drink concentrate (preparatory) business as part of the Indian beverages market.
2. What are the challenges Rasna Faced in soft drink market.

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