

(Following Paper ID and Roll No. to be filled in your Answer Book)

PAPER ID : 7106

Roll No.

--	--	--	--	--	--	--	--	--	--

M.B.A.

(SEM. I) ODD SEMESTER THEORY EXAMINATION
2010-11

MARKETING MANAGEMENT

Time : 3 Hours

Total Marks : 100

- Note :** (1) The question paper contains **three** parts.
(2) All questions are compulsory.
(3) Marks are indicated against questions.

PART—I

1. Choose the correct answer/Fill in the blank/State true or false, for the following objective questions : **(1×20=20)**
- (a) Which of the following phrases best identifies how marketing must be understood today ?
- (i) "Satisfy customer needs"
 - (ii) "Market to youth—they drive the market"
 - (iii) "Telling and selling"
 - (iv) "Spend the most money, get the most results"
- (b) Which of the following is defined as being a social and managerial process by which, individuals and groups obtain what they need and want through creating and exchanging products and values with others ?
- (i) Marketing
 - (ii) Economics
 - (iii) Psychology
 - (iv) Management

- (c) Which of the following would be an appropriate definition for a "need" ?
- (i) The form taken by a human need as shaped by culture and individual personality
 - (ii) Human wants that are backed by buying power
 - (iii) Any activity or benefit that one party can offer to another
 - (iv) A state of felt deprivation
- (d) A _____ is anything that can be offered to a market to satisfy a want or need.
- (i) Management goal
 - (ii) Service
 - (iii) Product
 - (iv) Demand
- (e) If a consumer goes through the act of obtaining a desired object from someone by offering something in return, the consumer has just gone through the act of :
- (i) Exchange
 - (ii) Relationship marketing
 - (iii) Transaction
 - (iv) Marketing
- (f) _____ Involves managing demand, which in turn involves managing customer relationship.
- (i) Direct marketing
 - (ii) Production management
 - (iii) Marketing management
 - (iv) Advertising
- (g) _____ is the process of dividing a market into subsets of consumers with common needs or characteristics.
- (i) The marketing mix
 - (ii) Positioning
 - (iii) Targeting
 - (iv) Market segmentation

- (h) In terms of the 'anatomy of product', there are three aspects to any product or service. These are the core benefit or service, actual product and _____ product.
- augmented
 - auxiliary
 - probable
 - ancillary
- (i) What is the brand mark ?
- The legal name of an organisation.
 - The visual brand identity, consisting of design and symbols protected for the owner's sole use.
 - Brand name or logo registered and protected for the owner's sole use.
 - Specifically the visual brand identity, consisting of design and symbols.
- (j) What is the name given to research that has already been conducted for another purpose (i.e. not conducted specially for the matter at hand) ?
- Primary research
 - Secondary research
 - Tertiary research
 - Outdated research
- (k) Which of the following is not a dimension of a marketing plan ?
- Where are we now ?
 - Where do we want to be ?
 - How are we going to get there ?
 - What are we going to do when we get there ?
- (l) Which of the following is not a strategic direction ?
- Service Development
 - Diversification
 - Service Penetration
 - Market Development

- (m) Which of the following is not a criteria for segmenting business markets ?
- | | |
|------------------|--------------------|
| (i) Demographics | (ii) User Status |
| (iii) Order Size | (iv) Psychographic |
- (n) Luxury designer brands penetrate international markets typically using :
- | | |
|-------------------|------------------|
| (i) Psychological | (ii) Penetration |
| (iii) Skimming | (iv) Cost-based |
- (o) Marketers don't consider gender while segmenting the market. (True/False)
- (p) Switchers are those customer who never stick to a brand. (True/False)
- (q) The education profile of the customer will also affect his or her preferences and level of awareness. (True/False)
- (r) In perfect competition, the market has a large number of buyers and sellers so that no single buyer or seller can influence the price. (True/False)
- (s) Marginal costing and break-even analysis are the important tools for determining the demand of a product. (True/False)
- (t) Offering the same product and applying the same marketing-mix to all consumers assuming that there is no significant difference amongst consumers in terms of their needs and wants is called customized marketing. (True/False)

PART—II

2. Case Study

(30)

Excessive competition and saturation in urban markets is driving many FMCG and consumer durables companies into the rural markets of India for survival and growth.

Hindustan Lever Ltd. has undertaken two projects—Bharat I and II to take its products deeper into the rural areas.

This is in spite of the fact that they are pioneers in rural marketing in India. Henkel Spic India has started a project called

Hariyali Safar, or 'green journey', aimed at rural marketing. Maharaja Appliances Ltd. has launched a range of 'no frills' home appliances meant especially for the rural and semi-urban markets.

Sony has entered the rural market without reducing its prices or even offering lower-end models for potential buyers.

Mobile handset companies and mobile service providers have also started wooing rural consumers in a big way.

All are confident that these strategies will definitely work. It may not bring in quick results in the short-term period. But in the long-term there is no doubt that rural purchasing power has steadily expanded over the past decade with the help of large increases in rural plan outlays, higher agricultural production and higher support prices for farm produce. The rural market potential is growing by leaps and bounds. During the decade, the procurement price of paddy and wheat has doubled, and there has been a four-fold increase in outlays for rural development between the seventh and ninth plan periods. Moreover, the proliferation of television has changed rural lifestyles and spending habits. The higher disposable income has made rural consumers go for urban products to improve their quality of life.

Marketers have mostly been limiting their concentration on supplying goods that are needed for the entire rural family or rural household. However, a few of the marketers have also been launching products aimed at individual needs and desires of rural consumers. A survey was conducted by a research team in rural Pondicherry to find out how well some of these products have been marketed, and to gather insights on buying behavior. Though the survey focused on only two products—wristwatches and footwear—some of the insights gathered could be a broader relevance, capable of generalizing.

The conclusions of the study are that rural consumers consider only one brand, visit only one shop before making a purchase decision. Titan was found to be the most preferred brand in watches. The imported Casio (grey market one), HMT and Citizen were found to be the other favorites.

It was found that though most decisions about buying a watch are taken by the buyer himself, retailers and advertisements are important influences. Unlike urban areas, where watches have become gift items and may, therefore, face seasonal spikes in demand, in rural areas, watches are bought as and when necessary. And many buyers think that price is an important factor to consider.

When it comes to footwear, however, brands appear to be less important than perceived quality and price. Many of the rural buyers are also not aware of the different brands of footwear. Most of the buyers buy chappals from a nearby town and tend to visit only one shop for making the purchase. They buy footwear when the last one wears out, indicating that utility and longevity are the prime considerations in purchase decisions. Fifty rupees were found to be the cut off point up to which rural consumers would consider spending to buy footwear.

This study converted only villages that had a population of more than 1000. Pondicherry region had 164 villages spread over six communes. Though the villages were randomly selected, respondents from a village were chosen based on quota (the sample from each village was proportionate to the village's total population) and convenience. The final sample size was 102 and 91 respondents for wristwatches and footwear respectively,

spread over 70 villages. The study was based on both primary and secondary data, with primary data collected with the help of specially designed schedules to suit the selected products.

The main objectives of the study were :

1. To find out whom influences the buying decisions of the products.
2. To find out the various factors considered by rural customers.
3. To find out the occasion/time of purchase of the products.

The limitations of the study are its relatively small sample size, its focus on one geographical area, and the fact that only two products were included for scrutiny.

Within these limitations of the survey, some broad conclusions emerge. One can say that the surveyed rural customers were found to consider brand name and price as important elements in buying wristwatches. They also attach importance to the quality of footwear. Rural customers are also found to prefer to shop only at one place. They buy wristwatches and footwear as and when they require them without waiting for any offer or festive season.

The findings suggest that manufacturers should make available quality products at affordable prices in towns that are accessible to the maximum number of Villages, to cater to the rural market.

Answer the following questions :

- (a) Will the strategies of FMCG companies to go rural work ? Justify your answer.
- (b) Discuss the adequacy and appropriateness of the research in the context of the given objectives.
- (c) Explain the findings of the study pertaining to watches and footwear.
- (d) Can the findings based on the two products be generalized ? Justify your answer.

3. Attempt any **one** part :
- (a) "Marketing begins before the production of goods and continues even after the sale has been made." Elaborate. What are the challenges that the marketing will face in the coming future ?
 - (b) Marketing management is about customer oriented business. Comment. Who are a 'consumer' and a 'customer' in terms in marketing ?
4. Attempt any **one** part :
- (a) Explain the terms line extension, brand extensions. What are the risks of brand extensions ?
 - (b) Discuss how marketing strategy change during the PLC. Give examples of two popular products which have relaunched the declining stage.
5. Attempt any **one** part :
- (a) New product development is growth strategy. Discuss. What are the errors that have to be avoided during idea screening stage ?
 - (b) 'Packaging is the 5th P of marketing mix.' Explain. What are the functions of packaging ?
6. Attempt any **one** part :
- (a) Explain the factors influencing pricing decisions. What are the special pricing strategies for new product pricing ?
 - (b) Explain the important environmental factors to be considered in rural marketing. Discuss the scope of FMCG and durables marketing in rural India.