



JK Lakshmipat University
Institute of Management
Jaipur

END TERM EXAMINATION, 2018

MBA, Sem-II
MM: 50 Marks

Course: Marketing Management-II
Time: 3 Hours
Subject code: MK15

Instructions: Attempt any three questions from Section A. Section B is compulsory.

Section A

Q.1 A new brand of cellphone has to be launched by a leading electronic firm. After an in-depth analysis of the market, the firm decided to position it as an aspirational product for the new age young professionals. You have been hired to develop a promotion strategy which will help the company achieve the desired penetration of 15% in the first year itself. Work out the promotion plan for the launch. (10 Marks)

Q.2 How will you act in the following circumstances, justify your answer:

- (i) You are a salesperson working for a construction company trying to secure a natural gas plant building. You think that if you do not pay a 'commission' to the public official in-charge of tendering for the project, you will not win the contract. Will you pay the 'commission' or do you have other choices of action?
- (ii) You are a banker. A potential new client insists on taking you to a very exclusive and luxury restaurant at his expense to discuss a loan he requires to purchase a new building for his rapidly expanding business. Would you accept?
- (iii) One of your top dealers in an important territory recently has had family troubles, and his sales have slipped. It looks like it will take him a while to straighten out his family trouble. Meanwhile you are losing many sales. Legally, on performance grounds, you can terminate the dealer and replace him. What would you do?
- (iv) You have to choose between three ad campaigns outlined by your agency. The first (a) is a soft-sell, honest, straight-information campaign. The second (b) uses emotional appeals and exaggerates the product's benefits. The third (c) involves a noisy, somewhat irritating commercial that is sure to gain audience attention. Pretests show that the campaigns are effective in the following order: c, b, and a. what would you do? (2.5 * 4 = 10 Marks)

Q.3 What constitutes rural markets in India? Discuss the important dimensions of the rural market demographics. Looking at the profile of the rural consumers in India today, what are the key challenges posed for Indian marketers in the rural market segments, discuss with reference to an FMCG product and a consumer durable product of your choice. What strategy will you suggest for marketing consumer durables in rural market? (10 Marks)

Q.4 Define various types of retail stores and provide one example for each. (10 Marks)

Q.5 You are working with a start-up company- Sonic. The company's first product is the Sonic 1000, a state-of-the-art, fully loaded multimedia smart phone. As a marketing manager, you are researching how to market the Sonic 1000 smart phone product outside India within a year. You have been asked to answer the following questions about Sonic's use of global marketing:

- (i) As a start-up company, Sonic should use which mode of entry to enter the South Asian market next year? To enter other markets? Explain your answers.
- (i) If Sonic starts marketing its smart phone in other countries, what will be the marketing strategy?
- (ii) Although some components are made in Europe, Sonic's smart phones will be assembled in China through a contractual arrangement with a local factory. How are country-of-origin perceptions likely to affect your marketing recommendations? (3+4+3=10 Marks)

Section B

Q.6 Read the following case study and answer all the questions

Sensing Shopper Pulse

The Indian Institute of Management Ahmedabad (IIM-A), TNS, and Ogilvy Action came together to conduct Shopper Pulse- a study aimed at understanding shopper behavior in hypermarkets across India.

Conducted across three cities (Mumbai, Delhi, and Bengaluru), in partnership with Big Bazaar and Hypercity, this study covered nine categories, namely biscuits, breakfast cereal, chips/snacks, chocolates, carbonated beverages, milk food drinks, toilet soap, hair care, and oral care. The study used a combination of shopper-centric research methodologies such as exit interviews (sample size: 2700), shopper observations (sample size: 2700), videography (450 hours), and focus group discussions (sample size: 12) to achieve its objective. This research helped discover seven key insights:

1. *Shopping and communing*: Like many other activities in India, shopping too is a community activity. Almost 70% of shoppers who visit hypermarkets are accompanied by friends and/or relatives.
2. *Democratization of shopping*: Hypermarkets, whether in premium or budget formats, attract more than just 'Class A' shoppers. It is observed that as the age of shoppers drops, the percentage of 'non-Class A' shoppers increases.
3. *Ubiquity of loss*: Main shopping comprises 70% of all shopping. Impulse and emergency shopping accounts for 12% of all purchases. This means that at any given point of time, there is a 12% risk of lost sales for a retailer (or brand) if the shoppers' experience is not shopper-centric. Comparatively, the risk of such loss is as low as 2% in traditional trade (with sales being lost most often on account of stock-outs).

4. *Personal care- the Pied Piper*: Almost all shoppers who are not on an emergency trip spend time at the personal care aisle, even if they don't need anything from the category. Conversion in personal care is as high as 48%.

5. *Hypermarkets cater to niche India*: 69% of all shoppers at hypermarkets are salaried executives, while only 31% are self-employed. There is a huge opportunity for hypermarkets to attract a wider shopper base by targeting businessmen and traders, and consequently increasing overall footfalls at their stores.

6. *Shoppers are trip shy*: 62% of all shoppers shop at hypermarkets only once or twice a month. A factor that fuels this low frequency of visits is that shoppers view the hypermarket more as a 'stock up' destination (67% of all hypermarket shoppers were on stock up trips). Encouraging other shopping missions by introducing trip-based loyalty programmes would make a casual hypermarket visit a lot more worthwhile for the top up/emergency or even impulse shopper.

7. *Engage and entertain the youth*: hypermarkets are fast becoming entertainment destinations for the youth. 40% of all co-shoppers who accompanied the primary shopper were his/her friends. In addition, nearly 40% of all students spent less than INR 500 on their shopping trip. A greater proportion of students visit the hypermarkets on an impulse, compared to mature/veteran house holders.

Questions:

- (a) If you were conducting research on shopping behavior in department stores across India, how would you design the research activity?
- (b) What hypothesis you would make for the above research and what techniques could have been used for collecting data for the research?
- (c) Prepare a questionnaire for the above mentioned research activity.

(6+4+10= 20 Marks)