



Institute of Management
JK Lakshmipat University, Jaipur
END TERM EXAMINATION
(October, 2018)

Pinnacle MBA
Term- I
MM: 40 Marks

Course: Introduction to Marketing
Time: 2 Hours
Subject Code: P101

Instruction: Attempt all questions.

1. Suppose you are the brand manager of Kellogg's Special K (Diet) Corn Flakes. This product is marketed with a unique benefit of "losing weight". The description of the product on the company website is as follows:
'Kellogg's Special K is a delicious and crunchy ready-to-eat breakfast cereal made with rice and wheat. It is naturally low fat, high in B group vitamins*^ and a source of fibre'.*
Create a "Levels of Competition" model for this product and specify what would be the competition for the product at each level. (5 marks)
2. Imagine that you are the brand manager of the Sugar Free™ brand from Zydus Wellness. The brand is described on the company website as follows:
"Sugar Free is a sugar substitute that aims to replace the sugar in your food, not the sweetness, so you can remain healthy without making any drastic compromises."
(a) Mention the 4 broad ways of segmenting customers.
(b) For Sugar Free™, describe the target segment you would choose on each of these 4 ways of segmentation. (4+6= 10 mark)
3. Explain 2 ways in which digital marketing is more advantageous compared to traditional marketing through mass media like TV and print, & one way in which marketing through mass media is better than digital marketing. (5 marks)
4. Explain Rogers 5 Factors model of innovation diffusion by mentioning each of the 5 factors and explaining it in one or two sentences. (10 marks)
5. The main product of ABC Ltd. is a face cream, which currently has a selling price of Rs.100. Due to increased competition from premium brands with perceived higher quality products, sales have not grown well last year, so ABC is struggling to generate profits from the face cream.

To tackle this issue, the marketing head proposes a price increase which will lead to a further drop in sales, but hopefully improve unit profits. The Finance department models the following scenarios to help the team make an informed decision:

(a)OPTION 1: 10% Price increase without change in product formulation.

Sales: 500,000 units per month

Current Company price per unit: Rs 100

Proposed Company price per unit: Rs 110

Variable cost per unit: Rs 30

(b)OPTION 2: 15% Price increase, along with a change in formulation to give a superior skin feel to users that is better than the competitors.

Sales with current formulation and price: 500,000 units

Current Company price per unit: Rs 100

Current variable cost per unit: Rs 30

Proposed Company price per unit for new formulation: Rs 115

New Variable cost per unit for new formulation: Rs 35

For each option above, work out the breakeven sales volume in units needed to achieve the same total contribution margin.

Based on these numbers & your analysis of the market situation, make your recommendation on the preferred option which the company should pursue. Explain the logic for your recommendation.

(4+4+2= 10 marks)