

**GUJARAT TECHNOLOGICAL UNIVERSITY**  
**MBA – SEMESTER - 2 – EXAMINATION – WINTER 2016**

Subject Code: 2820005

Date: 26/10/ 2016

Subject Name: MARKETING MANAGEMENT (MM)

Time: 10.30 am to 01.30 pm

Total Marks: 70

**Instructions:**

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

**Q.1 (a)** Answer the following questions by selecting the right option. **06**

1. Marketing management is the process of providing value to customers through act of:
 

A. Creating	B. Communicating
C. Delivering	D. All of Above
2. Process of identifying the most attractive segment in terms of opportunities available in market is termed as:
 

A. Segmenting	B. Targeting
C. Positioning	D. All of above
3. From below which can be considered as a market follower strategy:
 

A. Contraction defens	B. Guerrilla Warfare
C. Cloner	D. All of above
4. Services marketing mix includes:
 

A. 4P's	B. 7P's
C. Now a day's 5P's	D. Only 3P's
5. Qualifying a prospect is
 

A. Identical with checking references for an applicant	B. Determining which applicant to hire
C. Conducting an exit interview	D. Determining if a prospect is interested in a product
6. Which of the following sequence is true?
 

A. Sourcing → Conversion into finished goods → Inbound logistics → Outbound logistics → Retailing	B. Sourcing → Inbound logistics → Conversion into finished goods → Outbound logistics → Retailing
C. Inbound logistics → Sourcing → Conversion into finished goods → Outbound logistics → Retailing	D. Sourcing → Inbound logistics → Outbound logistics → Conversion into finished goods → Retailing

**Q.1 (b)** Define: **04**

- |             |                  |
|-------------|------------------|
| 1. Demand   | 3. Advertisement |
| 2. Branding | 4. Prospecting   |

**Q.1 (c)** Define market and write down different types of key customer markets with its characteristics. **04****Q.2 (a)** Write down difference between marketing concept and selling concept. **07**

- (b) Match the correct pairs of followings and explain what do you mean by “Positioning”? 07

- |                       |                           |
|-----------------------|---------------------------|
| 1. Honda              | 1. The Power of Knowledge |
| 2. Wipro              | 2. Think Different        |
| 3. The Economic Times | 3. Applying Thought       |
| 4. Nokia              | 4. Innovation and you     |
| 5. Apple              | 5. Power of Dreams        |
| 6. Philips            | 6. Connecting People      |

**OR**

- (b) Design/ Frame a questionnaire by using different scales to conduct the survey on following topic “To know Investor’s Preferences towards various investment options in Gujarat”. 07

- Q.3** (a) Define Consumer behavior. Explain five stages model of consumer buying decision process. 07

- (b) Company X has a dominant share in the Indian Sauce market and also owns a successful brand in the category. Research showed that there was a need for sauce with unique taste which could be taken with Indian as well as western snack foods. The company introduced ‘Tomi - Imli’, a new tomato sauce with tamarind and tangy spices. The product is targeted at children in the age group of 05 years and above. As a marketing manager, which steps would you like to take while launching this product? How will you conduct the test marketing for this product? 07

**OR**

- Q.3** (a) Explain major Segmentation variables for consumer markets. 07

- (b) Explain the marketing criteria to be used for selection of a brand name. Based on these criteria, suggest a suitable brand name for the following Products / Services and explain why you have selected particular name. 07
- (i) Fruit Juice  
(ii) Indian fast food chain

- Q.4** (a) Explain five M’s of advertising with diagram. 07

- (b) Explain the concept of “Market-Skimming” Pricing and “Market-Penetration” Pricing with suitable examples. 07

**OR**

- Q.4** (a) Write difference between Relating and Wholesaling. 07

- (b) Explain various choices amongst major media alternatives available to marketer for an education institute and compare the same with their relative merits & demerits. 07

- Q.5** **Case Study** 14

**Patanjali Ayurved: Will the Growth Momentum Sustain?**

The Indian FMCG sector was mostly dominated by MNC players like Hindustan Unilever Limited (HUL) and Procter & Gamble (P&G). Home grown FMCG companies like Dabur and Jyothy Laboratories had smaller market shares when compared to the foreign players. They could not give the foreign players much of a competition as they lacked financial and other resources. Most of the Indian FMCG companies focused on producing western products like detergents, soaps, and toothpastes. Some local FMCG companies like Dabur and Emami focused on producing ayurvedic and herbal products like cosmetics and personal hygiene products. But they had a limited market share as consumers preferred western products.

Companies like Jyothy Laboratories, which produced products like fabric conditioners and detergents, depended on one or two of its star products for most of its revenues...

Patanjali Ayurved (Patanjali) was established in the year 2006 as a private limited company. The company was later converted into a public limited company in the year 2007 to facilitate speedy expansion. It was founded by Acharya Balakrishna (Balakrishna), a long-term companion of the yoga guru Ramdev. The association between Ramdev and Balakrishna began in the early 1990s, when together, they set up a company called Divya Pharmacy that sold ayurvedic products. Subsequently, Balakrishna helped Ramdev set up a number of companies like Patanjali Bio Research Institute, Patanjali Food and Herbal Park, Patanjali Yogpeeth Trust, Patanjali Gramodhyog, etc. and served in senior managerial roles in these. Most of these companies manufactured ayurvedic products or were involved in the promotion of ancient Indian practices like yoga. Balakrishna had a master's degree in Sanskrit literature and wanted to popularize the ancient tradition of ayurveda by making the best use of the latest technological advancements. With Patanjali, Ramdev and Balakrishna wanted to give an indigenous option to Indian customers and to directly compete with MNC FMCG companies that operated in the country...

The main objective of the company was to make and sell FMCG, herbal, and ayurvedic products at a cheaper price than competitors. The company was giving stiff competition to many well established FMCG companies in India like HUL. Right from the time it started its operations, Patanjali priced its products cheaper than its competitors by sourcing raw materials directly from farmers. Patanjali banked upon the growing demand for ayurvedic and natural products among urban consumers who perceived them to be safe and free of harmful chemicals. Another important factor behind the success of Patanjali Ayurved was the association of the Patanjali brand with the popular yoga guru, Baba Ramdev (Ramdev). The company spent very limited amount on the promotion of its products when compared with other FMCG companies. Patanjali wanted to quickly expand its business across the country and reach more customers through initiatives like establishing exclusive retail outlets, consolidating its online presence, and entering into tie-ups with retail chains.

In January 2016, leading institutional broker Credit Suisse downgraded Colgate Palmolive India to 'neutral' rating in the wake of severe competition from the oral care products of Patanjali Ayurved (Patanjali).

#### CAN IT SUSTAIN THE GROWTH MOMENTUM?

According to some industry experts, Patanjali's quick success did not guarantee its growth in the future. Some of the factors which contributed to its fast growth might, in fact, become stumbling blocks, they said. Patanjali might face problems if Ramdev's personal image was adversely impacted...

#### OUTLOOK

According to the estimates of some brokerages, Patanjali would more than double its net turnover from INR 20 billion in the Fiscal Year 2014 to INR 40 billion in the Fiscal Year 2016. IIFL even projected a net turnover of INR 200 billion by the Fiscal Year 2020.

Patanjali had good growth plans for the future...and Ramdev has planned to set up Sanskrit university from earning of FMCG product sale which will be like Nalanda University and Takshshila one day which will attract student from around the world.

#### Questions:

- Q.1 How new company was successful in challenging established players? What are the reasons behind its success? (05)
- Q.2 What is the importance of celebrity endorsers in building a brand as per this case and in general? (04)
- Q.3 Write and explain some attacking strategies which can help such market Challengers. (05)

**OR**

**Life Insurance: Who Benefits, the Consumer or the Company?**

Ajay is a sales representative for a large life insurance company. He has been with the company for about 18 months. Things have been going well, or so he thinks.

One concern he has is about the product he sells most. This product is insurance and savings plan bundled together. It provides protection for premature death, savings that can be used for retirement, or an emergency fund that can be accessed quickly without hassle. The problem Ajay faces is that this insurance product is more expensive to purchase, and for young families it provides the least amount of protection in case of premature death of the breadwinner. Another drawback is the low return on savings, somewhere between 3 percent and 6 percent net. The company pushes sales of this product because it is more profitable. The commission Ajay earns is 110 percent of the first year's annual premium, so it is very profitable for him and his family.

Ajay also has another product that is considerably cheaper, that can provide much greater insurance protection, and at the same time would let the insured invest the difference in another product (i.e., an annuity) that provides a greater return. But the commissions paid by the company are very low, and management frowns on too many of these policies being sold.

The quandary is: If Ajay does what is right for the consumer, he can't provide for his own family; if he sells the more expensive insurance product, then the protection doesn't come anywhere near meeting the needs of the family should the breadwinner die prematurely.

**Questions:**

Q. 1. Compare both the products and note down its pros and cons to Ajay, Management of company, Customers and Insurance Company. **(07)**

Q. 2. What should Ajay do? Justify your answer with reasons. **(07)**

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