



NAVRACHANA UNIVERSITY

School of Business & Law | BBA Programme - Semester 1 | End Semester Examination - November 2017

Marketing Management 1 | Subject Code: MK201 | 23.11.17 | 08.00am to 10.00am | Total Marks: 40

The figures in the margin on the right side indicate full marks

Q.1 Case Study

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ABC Limited is in the business of manufacturing of 'Fashion apparels'. 13 years back, in 2004, ABC decided to diversify into the business of *Footwear industry*.

ABC spent 8 years of extensive research (R&D) and came up with a new material called 'glassbber' (which is combination of glass and rubber). The new footwear made out of 'glassbber' is quite innovative. ABC Company successfully combined the best qualities of glass and rubber in this new kind of footwear.

ABC did conceptual design and Testing before the launch of the product.

The organization launched the product on 1st June 2013. At this stage, ABC was doubtful about the success of the product, as it's the first of its kind of product in market.

By 2017, the company has established itself very well in the footwear market. The Glassbber is a proved to be a real successful and profitable venture for ABC. The growth of the Glassbber also attracted new competitors in the market. A competitors company 'XYZ' launched a new brand called 'glasstough' in the market, which is highly durable and strong. There is another competitors company 'MNP' launched started a new company named 'RubbG+' which is offering the same kind of product with neon color shoe range.

Question:

Q.1A - Explain and justify 'Marketing Mix' (Marketing strategies) of ABC at Introduction stage
Do not write more than 8 sentences to answer this question. 2 sentences for each strategy

Q.1B - Explain and justify 'Marketing Mix' (Marketing strategies) of ABC at Growth stage
Do not write more than 8 sentences to answer this question. 2 sentences for each strategy

Q.2 Break Even Chart

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A Company is launching a new product in the market.

- Fixed cost = Rs. 10,00,000/-
- Variable cost = Rs. 10/- per unit
- Price = Rs. 50/-
- No. of units is expected to sell in a year = 40,000

Q.2A - Draw 'Break Even chart' which also provides numerical answers for:

- a) Total Revenue (1 Mark)
- b) Total Profit (1 Mark)
- c) Break Even Point (3 Mark)
- d) Total Cost (1 Mark)

In July 2016, Yamunalal shridharani Private Limited (YSPL) decided to launch the new range of 'cold drinks' based on 'statistics and information report' available on hand, that is:

Even though traditional and homemade drinks will always remain popular, packaged beverages are gaining traction with Indian consumers who are now frequently reaching for their more convenient-to-consume counterparts—soft drinks. While consumption is on the rise, soft drink manufacturers have some distance to go before they fully capitalize on the opportunity.

Driving up per capita consumption of soft drinks in India, calls for decisive action by the industry to catch up with the growth rate of other fast moving consumer goods (FMCG) including the food basket, which currently outpace soft drinks (Food CAGR is 9%). Over years, the soft drinks category has also been affected by issues related to health concerns and pressure from government policies. However, there have been sporadic efforts to drive growth in rural areas in recent years, which have received only a tepid response, as rural consumption levels still stand at two-third of that of consumption in urban areas.

The challenge for this industry therefore, is to restore its pace of volume growth by increasing the per capita consumption of soft drinks in India, catch up with international consumption levels of soft drinks and perform at par with other FMCG categories in India, like salty snacks, chocolates and biscuits.

After one year, YSPL reviewed the sales of a year in July 2017 and found out that they are making loss.

Immediate plan of YSPL is to run a 'Sales promotion' campaign to increase their sales. The budget of 'Sales Promotion Campaign is Rs. 5,00,000/-.

Question:

Q.3A - Do Review provided data and identify '3 Sales Promotional tools' which are more appropriate for YSPL. Also justify your reason for choosing each specific sales promotional tool.

Do not write more than 12 sentences to explain 3 Sales Promotional tools (4 sentences for each tool)

- a) Installment Sales
- b) Personality Promotion
- c) POP
- d) Premium
- e) Sampling

Q.4 Explain following

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Q.4A - Explain 'Consumer Buying behavior Process'

Do not write more than 15 sentences to explain this process (3 sentences for each step of process)

Q.4B - Explain 'Psychological Factors influencing Consumer behavior'

Do not write more than 15 sentences to explain these factors (3 sentences for each factor)

----- All the best ☺ -----