

Internal Assessment Test – III

Sub:	Marketing Management						Code:	18MBA15	
Date:	10/01/2020	Duration:	90 mins	Max Marks:	50	Sem:	I	Branch:	MBA

		Marks	OBE	
			CO	RBT
Part A - Answer Any Two Full Questions (20*02=40 Marks)				
1	(a) What is differentiated Pricing?	[03]	CO3	L1
		[07]	CO3	L2
		[10]	CO3	L2
2	(a) What is CRM?	[03]	CO4	L1
	(b) Assume yourself into marketing of personal grooming product for men. You are a new entrant into this market. (i) Identify various benefits of employing sales promotion campaign for your business. (ii) Formulate a mix of various sales promotion techniques that can be implemented by you.	[07]	CO3	L6
	(c) Design a Personal Selling model with clear plans under each step for a salesman of Home Décor items.	[10]	CO3	L6
3	(a) Define Advertising.	[03]	CO3	L1
	(b) Discuss the steps in Marketing Planning	[07]	CO3	L2
	(c) Explain the procedure of Marketing Audit.	[10]	CO3	L2
Part B - Compulsory (1*10=10 marks)				
4.	M/S Niranjana Ltd is launching a promotional campaign for its Groceries Business. Any Customer who is purchasing Groceries for a minimum monthly bill of Rs 5000/- is eligible for a lucky draw, in which the first prize is a fully paid trip for two to Singapore for 3 days. There are a host of prizes based on Lucky draw and every eligible customer will get a redeemable coupon for Rs 250/- to be used before one month of issue.	[05]	CO3	L1
	(a) How will the participation level of Customers measured?			
	(b) . What will be the impact on Loyalty of Customer by such measures?	[05]	CO3	L1

Course Outcomes		PO1	PO2	PO3	PO4	PO5
CO1:	Make students have an understanding of the fundamental concepts of marketing & the environment in which marketing system operates.					
CO2:	To analyze the motives influencing buying behavior & Describe major bases for segment marketing,					
CO3:	Identify a Conceptual framework, covering basic elements of the marketing mix.	1(a) 2(a)	1(b) 1(c) 3(a)	2(b) 3(b), 3(c)	4(a)	2(c) 4(b)
CO4:	To understand fundamental premise underlying market driven strategies					

Cognitive level	KEYWORDS
L1	list, define, tell, describe, recite, recall, identify, show, label, tabulate, quote, name, who, when, where, etc.
L2	describe, explain, paraphrase, restate, associate, contrast, summarize, differentiate interpret, discuss
L3	calculate, predict, apply, solve, illustrate, use, demonstrate, determine, model, experiment, show, examine, modify
L4	classify, outline, break down, categorize, analyze, diagram, illustrate, infer, select
L5	grade, test, measure, defend, recommend, convince, select, judge, support, conclude, argue, justify, compare, summarize, evaluate
L6	design, formulate, build, invent, create, compose, generate, derive, modify, develop, integrate

PO1–Theoretical Knowledge; PO2–Effective Communication Skills; PO3–Leadership Qualities; PO4 –Sustained Research Orientation; PO5 –Self-Sustaining Entrepreneurship

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Part A - Answer Any Two Full Questions (20*02=40 Marks)

1 (a)

What is differentiated Pricing?

The **Differential Pricing** is a method of charging different prices for the same type of a product, and for the same number of quantities from different customers based on the product form, payment terms, time of delivery, customer segment, et

(b) Discuss various considerations under the factors affecting channel choice

Important Factors Affecting the Choice of Channels of Distribution by the Manufacturer

Unit Value of the Product: ...

Standardised or Customised Product: ...

Perishability: ...

Technical Nature: ...

Number of Buyers: ...

Types of Buyers: ...

Buying Habits: ...

Buying Quantity:

(c) Explain the various steps involved in the process of Pricing the products.

The Price decision must take into account all factors affecting both demand price and supply price.

(i) Market Segmentation:

In market segments, marketers will have firm decisions on:

(a) The type of products to be produced or sold.

(b) The kind of service to be rendered.

ADVERTISEMENTS:

(c) The costs of operations to be estimated.

(d) The types of customers or market segments sought.

(ii) Estimate Demand:

Marketers will estimate total demand for the product based on sales forecast, channel opinions and degree of competition in the market. Prices of comparable rival products can guide us in pricing our products. We can determine market potential by

trying different prices in different markets.

(iii) The Market Share:

Marketers will choose a brand image and the desired market share on the basis of competitive reaction. Market planners must know exactly what his rivals are charging. Level of competitive pricing enables the firm to price above, below or at par and such a decision is easier in many cases.

ADVERTISEMENTS:

Higher initial price may be preferred, in case of smaller market share is anticipated, whereas, in the expectation of a much larger market share for the brand, marketer will have to prefer relatively lower price. Proper pricing strategy is evolved to reach the expected market share either through skimming price or through penetration price or through a compromise, i.e., fair trading or fair price- to cover cost of goods, operating expenses and normal profit margin.

(iv) The Marketing Mix:

The overall marketing strategy is based on an integrated approach to all the elements of marketing mix.

It covers:

(a) Product-market strategy

ADVERTISEMENTS:

(b) Promotion strategy

(c) Pricing Strategy

(d) Distribution Strategy

Marketers will have to assign an appropriate role to price as an element of marketing- mix. Promotional strategy will affect pricing decisions.

ADVERTISEMENTS:

The design of marketing mix can indicate the role to be played by pricing in relation to promotion and distribution policies.

Price is critical strategic element of the marketing mix as it influences the quality perception and enables product or brand positioning. Price is also a good tactical variable. Changes in price can be made much faster than in any other variable of marketing mix. Hence, price has a good tactical value.

(v) Estimate of Costs:

Straight, cost-plus pricing is not desirable always as it is not sensitive to demand. Marketing must take into account all relevant costs as well as price elasticity of demand.

(vi) Pricing Policies:

Pricing policies are guidelines to carry out pricing strategy. Pricing policy may be fixed or flexible. Pricing policies must change and adopt themselves with the changing objectives and changing environment.

(vii) Pricing Strategies:

Strategy is a plan of action to adjust with changing condition of the– market place. New and unanticipated developments such as price cut by rivals, government regulations, economic recession, changes in consumer demand etc. may take place, and then changes all for special attention and relevant adjustments in the pricing policies and producers.

(viii) The Price Structure:

Developing the price structure on the basis of pricing policies and strategies is the final step in price determination prices. The price structure will now define the selling prices for all products and permissible discounts and allowances to be given to distributor's co-dealers as well as various types of buyers.

2

(a) What is CRM?

Customer relationship management (CRM) is a technology for managing all your company's relationships and interactions with customers and potential customers. The goal is simple: Improve business relationships. A CRM system helps companies stay connected to customers, streamline processes, and improve profitability

- (b) Assume yourself into marketing of personal grooming product for men. You are a new entrant into this market. (i) Identify various benefits of employing sales promotion campaign for your business. (ii) Formulate a mix of various sales promotion techniques that can be implemented by you.**

1. BIG discounts

Big discounts may be as old as the trade industry, but it's an evergreen method of increasing sales volume. We all wait for the summer/winter clearance sale to finally buy items we've spotted but couldn't afford to buy during the season.

Price cuts are convenient for both customers and retailers. It offers the possibility to buy more for less and it allows retailers to clear their stocks and sell huge volumes while keeping the money flowing and the business going.

Now, let's see a creative sales campaign from Haband, a clothes and homeware online shop.

Remember that feeling when you walk down a street and you suddenly see a shop window covered in discounts labels and you wonder how much will you get? How much will you save? And wish you'll find something nice that's at least 50% OFF the normal price? Well, this e-commerce website is no stranger to these psychology insights. Haband sent this eye-rolling [GIF](#) email to their customers to promote their fall sales and motivate them to engage and crave for big price cuts.

Their call to action invites one to click the wheel of savings and reveal what discount they got.

So here it is, take your time and marvel:

Source: Haband

Once you click the wheel, you are automatically redirected to their website and served a pop-up banner, which reveals the size of the discount you get. I happened to click the 40% OFF.

Source: Haband

Impressive (mesmerizing) ad, isn't it?

2. Special prices

Special prices are basically price cuts, but psychologically they weight heavier, especially when you sell everything for a tremendously small price. Add a limited period and free shipping, and you'll get yourself a massive boost in sales. And a few thousand clients that will come to you for the rest of their lives. That sounds like a big deal, right?

Let's take a look at this promotion from [Ruelala](#), an online fashion shop.

Known for their membership only sales system, offering access to a wide range of coveted designers, Ruelala sent their members this incredible deal offer: every clothing item for only \$29.99.

This price might not have arisen chills of excitement had it been rolled out by another online fashion shop. But in this particular case, \$29.99 is a total bargain, because Ruelala sells clothes created by highly reputed designers.

Source: Ruelala

3. Free gifts & giveaways

Sweepstakes are still in fashion, you know. People still hunt for prizes, rewards and free gifts. This technique suits all types of businesses, and it can be applied to **local business advertising** as well as to global scale advertising.

Here's an anniversary promotion from [BJS Travel](#) that offers not one but two grand and amazing prizes. Plus two first prizes consisting of a 7-day car rental service and an extra pocket money gift card. Is there anyone who wouldn't like to go to the Caribbeans?

Source: BJS Travel

4. Buy one, get one FREE

Women are notorious for being addicted to shopping. The more, the merrier. The cheaper, the better. This type of sales deal will arouse any woman's desire. Paying one item and getting 2 for the same price is just pure ecstasy. 2 leggings for the price of one? Another free bra (of a different color) when you buy one? After all, is there a sane woman who doesn't need to match her lingerie with her blouse and leggings and shoes and bag?

Rotating your business' sales strategies is a great idea, so you could pin-post this method and use it when you feel necessary.

Here's what [Aerie](#) has done to increase their sales: a buy 1, get 1 free pair of leggings promotion. Now, their promotion ran during September, the first month of fall. September is not the end of the fall, so they couldn't have had clearance sales. But instead, they thought of something else. They bet on the people's need for new autumn clothing items. So they chose the leggings as their star sale item which would hook people into the promotion. Isn't this a great strategy?

Source: Aerie

5. Reward points

Reward points may not be as exciting as big discounts, but this strategy still appeals to a large number of people, especially to loyal customers, who buy from your stores on a regular basis.

The reward points promotion from [Boots](#), UK, here below, is a great loyalty builder for two reasons: first, it encourages customers to buy with the promise that a £5 reward will follow their purchase; second, it re-affirms the statement that Boots is a store worth buying from, because you can add-up your reward credit with every purchase you make, which translates to free on-choice products.

Their deal is attractive and straightforward: you get £5 of points when you buy No. 7 products worth £30. The promotion is available both online and in store, but it is on a tight time limit. Imagine what you could buy with £5: a hair mouse, a shampoo and a conditioner; or a face scrub and a moisturizing cream; or a deodorant, a soap, and a face wash lotion. £5 may seem like a small amount, but when you count the products in your basket, it's actually a lot.

Source: Boots

6. Limited time promotion – Flash sales

Having a big discounts promotion is great, but when you spice it up with a very limited time duration, people will get even more interested.

Flash sales appeal to our sense of urgency and to our fear of missing out on amazing things. In a world of instant gratification, make your promotion urgently instant with a limited time period. You can limit your offer to a duration spanning between 30 days to 24 hours.

However, there's a catch. In order to sell massively in only 24 hours, you need to advertise your price cuts big time, using every possible media and influencer connection you have.

Let's analyze this [Neiman Marcus](#) flash sale promotion. In September 2018, they sent this email to their customers letting them know about their 24-hour only sale discounts. Their creative concept emphasizes the marketing idea: a girl in bed, covering herself up with the duvet is advised not to go back to sleep ("Don't hit the snooze.") or else she will miss the discounts going as low as 75% off.

Clear, funny and appealing, if you'd ask me.

Source: Neiman Marcus

7. Holiday promotions

There's no time like Christmas time to clear your stocks and skyrocket your revenue. Erase Christmas and replace it with Halloween, Mother's Day, Easter or Valentine's Day and you get the point.

Holiday promotions are a sure bet on huge sales, provided you have a great advertising campaign. From the key message to the graphic layout of your ads, everything must be taken care of. Remember this is a time of the year when everybody is out there shouting and waving their hands at customers, so you must stand out somehow. Sure, cut the prices, but take your time to craft a 21st-century campaign. By 21st-century I mean a digital campaign as part of your 360 degrees advertising efforts.

Include email, Social Media, display banners, YouTube videos, website pop-ups.

Source: ReForm skincare

8. Seasonal promotions

There are four seasons of the year and thus four extra opportunities for you to launch sales promotions. This is extremely important when you're selling seasonal products like clothing and shoes. You need to advertise your spring, summer, fall and winter collections.

You can even promote your collections of accessories like Nordstrom did in this campaign. As a woman, you cannot just wear your clothes. You need to complement them with jewelry.

Source: Nordstrom

9. Special events & promotions

Countless events are happening every year, from football cups to music festivals. Your job is to find an event that matches your target audience and use it as a pretext to sell your products. Or you could initiate a deal with one of the top athletes or celebrity involved in that event and convince him/her to endorse your brand.

Head & Shoulders, one of the world's best selling shampoo brands had a deal with FC Barcelona's stars to endorse its cool menthol shampoo. What's the link between this shampoo and the football players? Apparently none. But this shampoo prevents and treats (according to their claim) dandruff. And dandruff can come as a consequence of sweating when running or working out. So, it can help these stars have clean scalps (and shoulders) while looking great. It can also help the people watching these football matches fight dandruff, especially if they're also confronted with this problem after playing football with friends or working out in the gym.

Source: Moat

Here's another example, from Kellogg's: L'Eggo. They found an excellent opportunity to link this brand (a flavored frozen waffle) to the back-to-school time of the year. Because it's frozen and all it needs is a bit of topping, this waffle is perfect for a fast breakfast, before heading to school. That's why they launched this campaign before the start of the school and made sure children and parents are well aware there's L'Eggo out there to help them out with breakfast, once the school starts.

Source: Moat

10. First order discount

You can run this type of sales discount all year round on your website or in your shops. It motivates people to try your products and ensures a positive experience with your brand.

Have a look at the example below.

ReForm is a skincare brand selling anti-aging and highly moisturizing creams and lotions. Their products are not extremely expensive, but they're not the cheapest cosmetics you'd find in the supermarket. So they used the "first order discount" sales incentive to entice people to try their products and order online.

Motivating.

Source: ReForm skincare

11. Free shipping

There's one thing that people consider when buying from an e-commerce website: the shipping cost.

Although online shopping is more time convenient and even cheaper, sometimes we realize we spent more on a product we ordered online than we would have actually spent if we bought it from a shop in the city center. That's because shipping can get expensive. Depending on the e-commerce website you order from, (and the country) you can pay an amount ranging from \$2 to \$50. That's a lot.

Source: Steve Maden

Steve Maden a large e-commerce retailer knows that people place orders from countries all over the world. That's why they often offer free shipping. As you can see, their free shipping period offer is limited to two days. Which makes their website even more enticing.

Source: Steve Maden

12. Coupons

Coupons are women's most sought sales deals. They used to be present everywhere in women's magazines, back in the old days of print press. But digital marketing has taken coupons to a whole new level, keeping up with today's woman and her new devices. There's no need to cut out the coupons anymore and store them in the kitchen's drawers. You just have to type in a code and that's all it takes to receive a significant discount.

If you've got a women's brand, add couponing to your marketing toolkit and analyze JOANN's case study below.

JOANN is one of the world's largest fabric and craft supplies retailers. It is a company thriving on women's passion for tailoring, quilting, and crafting. By now, they know their target audience psychology by heart and use essential insights to create appealing sales promotions.

Here's an impressive and long coupon that JOANN sent out via email to their customers. Instead of formulating a standard discount message (Get 60% OFF), they created several categories of discounts for various types of products and invited people to apply for the discount they prefer, using one of the codes available.

Please notice the skillfully crafted email layout. It looks a lot like a scrapping book! This is just a small part of the email. If you'd like to see the full email, [click here](#)

- (c) Design a Personal Selling model with clear plans under each step for a salesman of Home Décor items.

3

- (a) Define Advertising.

Advertising is the attempt to influence the buying behavior of customers or clients with a persuasive selling message about products and/or services. In business, the goal of advertising is to attract new customers by defining the target market and reaching out to them with an effective ad campaign

- (b) **Discuss the steps in Marketing Planning**

Step 1: Define Your Business Goals

A sound marketing strategy aligned with your highest-level business goals and objectives helps you create awareness for your company and its products and services, drive website traffic and leads, and generate new sales opportunities that meet your company's target audience profile.

With your goals and objectives in place, you have more insight into what you need to build a marketing strategy, develop an action plan, and define how to measure results.

When developing goals (at the business level or otherwise), write them in the SMART format that ensures accountability.

SMART stands for Specific, Measurable, Attainable, Realistic, and Time-bound and represents business goals such as:

- Increase product line revenue by 30 percent to \$2 million in the next 12 months
- Double revenue through distributors in the next two years
- Increase profitability from 25 to 30 percent by the end of the year

Step 2: Conduct a Marketing SWOT and Set Goals & Budget

Ultimately, you want marketing that provides a consistent flow of high-quality leads to help fuel new sales opportunities and drive growth. You want your technical target audiences and customers to be happy to hear from you and not dread it. And you have a limited budget and tight bandwidth.

The way to achieve all of this is to use a smart marketing approach that builds a marketing strategy and execution plan aligned to your business goals and starts with:

- A SWOT of your current marketing program - strengths, weaknesses, opportunities, and threats in terms of your competitive position, target markets, target audiences, current positioning/messaging, the maturity of your offerings, channel partners, etc.
- Up to 5 SMART goals for the next 12 months, such as
 - Grow leads by 10 percent on a flat budget by shifting marketing dollars from outbound to inbound channels
 - Increase the number of qualified opportunities passed to sales by 15 percent
 - Triple the number of published customer case studies in the top three segments
- Marketing resources and budget - a rule of thumb for spending on marketing is 6-to-12% of gross revenue with higher spending in the early phases as you establish your marketing foundation.

RECOMMENDED MARKETING SPEND BASED ON GROSS REVENUE



With your business and marketing goals defined and aligned, you are now ready to create your marketing execution plan


Step 3: Define Your Target Personas

You probably know the profile of your most valuable prospects and the sales process your company uses to convert them from leads to opportunities to customers. However, as your company grows, you won't know each prospect's unique situation, and one message won't work for all. You'll need to customize your marketing approach by creating buyer personas.

Buyer personas are fictional representations of your ideal customers based on demographic data, online behavior, and your educated speculation about personal histories, motivations, and concerns. For example, you may define one of your personas as VP of Engineering Vince, a business executive who cares most about cost and long-term support. A second persona could

be Engineer Elliot, an engineering manager or senior staff engineer who is an expert in your technology area and wants to do a deep dive into the technical capabilities of your product or how you deliver a service. Elliot greatly influences Vince, but Vince makes the final decisions. Vince and Elliot have very different concerns.

The first step in creating your buyer personas is to brainstorm who they could be. Once you have your full list, identify the ones who have similar needs or roles and consider merging them. From here, prioritize your list of personas by considering their impact on the final purchase decision, their relationship to your company, and the size of the audience persona group. Once you've finished brainstorming, create your actual personas.

 <p>PERSONA NAME:</p>	<p>Technical Tim</p>
<p>BACKGROUND Job? Career path? Family?</p>	<ul style="list-style-type: none"> • Senior Test Engineer or Project Manager, Test Group Manager • Bachelor's or master's degree in engineering • At least 10 years of experience
<p>DEMOGRAPHICS Male or female? Age? Income? Location?</p>	<ul style="list-style-type: none"> • Mostly Male • 35-65 • Very successful in their role • Don't typically have purchasing authority, influence over purchasing decisions
<p>IDENTIFIERS Demeanor? Communication preferences?</p>	<ul style="list-style-type: none"> • Comfortable with change as needed to meet business needs • Visionaries who are ok with bucking the status quo • Can be seen as mavericks who take on tough assignments • Get info from Google, company websites, other industry-leading vendors • Value personal interaction through relationships

Here's an example of a buyer persona to help give you an idea of how to develop your personas.

Step 4: Create Your Execution Plan

Now that you've created your marketing goals and have a budget, you are ready to develop your activity plan, also known as a marketing communications plan. The most effective way to approach turning your marketing strategy into an execution plan is by using a campaign structure. You can think of campaigns as buckets of activities focused on a common theme or goal.

With limited time and budget, a campaign approach gives you the big picture before you get into the weeds of which new video you will produce, which white paper you will write and promote, etc.

Campaigns can run the gamut in scope. They can be anything from a major product launch to building thought leadership in a particular segment to increasing web traffic and leads. Here are two examples of marketing campaigns and their stated goals and KPIs:

Campaign—Lead generation and conversion

- Description—Through content and partner co-marketing, attract quality leads that convert to opportunities
- KPI 1—Increase leads by 35 percent to 210 per month
- KPI 2—Increase lead opportunity conversion from 6 to 8 percent

Campaign—Partner marketing

- Description—Develop and implement a channel co-marketing program
- KPI 1—Publish at least one lead-generating piece of co-branded content per quarter
- KPI 2—Generate 100 net new leads through co-marketing activities

Step 5: Organize and Measure

As a last step, you need to define marketing team roles, determine the timeframe in which you want to achieve results, and document the expected return of time and dollars invested. The organizational structure, pace, and outcomes should be part of your marketing plan, and you should review this plan quarterly and annually to ensure optimal use of limited resources for maximum output.

Though each company organizes its marketing team based on its unique culture, budget, and expected outcomes, you can choose from three general approaches to take: do-it-yourself (DIY), in-house, or outsourced. Each one has pros, cons, and cost variations to consider and thoroughly evaluate before making the best choice for your company. Often, the ideal approach is a hybrid one that optimizes existing resources and areas of expertise (such as technical content development) and focuses outsourced efforts on marketing gaps.

In terms of measurement, I recommend a marketing dashboard featuring the most important metrics that define marketing success for you. These metrics will likely come from multiple areas, including your funnel metrics (leads, opportunities, etc) and your campaign KPIs, and will indicate whether you are on track to achieve the marketing goals and objectives you

defined in your strategy. Just as a car dashboard has indicator lights for low fuel or high speed, the metrics you include in your marketing dashboard should serve as these indicator lights, or warning signals, for marketing success. For your marketing dashboard, select these key metrics and add the monthly objective for each. Then, each month, add the actual results for each metric and consider an easy “indicator light” system such as highlighting each metric result red, yellow, or green based on whether they are below target, on target, or above target.

(c) Explain the procedure of Marketing Audit.

A marketing audit is a process that examines your complete promotional environment, from your direct mail newsletters to your social media campaigns. The purpose of a marketing audit is to sort through your resources and figure out which of your strategies are working, and which are just wasting your budget.

Great marketing audits cover every touchpoint you have with your customers. They look at how the words on your call to action or the shape of your logo can affect conversions. The more you learn from your audits, the more successful you become. In fact, Coschedule found that marketers who document a well-informed strategy are 538% more likely to see success.

Marketing audits build the foundations for your future marketing decisions. They give you a better understanding of what your audience wants from you, and how you can serve their needs.

Of course, conducting a marketing audit isn't always easy. First, you need to be willing to admit that your business has weaknesses – and that's tough enough in itself.

On top of that, a marketing audit also requires an in-depth understanding of the current promotional environment. It's no wonder that so many companies choose to work with auditing professionals, rather than attempting to conduct an audit on their own. Indeed, third-party marketing audits can be more informative and objective than anything your team can do in-house.

Part B - Compulsory (1*10=10 marks)

4. M/S Niranjana Ltd is launching a promotional campaign for its Groceries Business. Any Customer who is purchasing Groceries for a minimum monthly bill of Rs 5000/- is eligible for a lucky draw, in which the first prize is a fully paid trip for two to Singapore for 3 days. There are a host of prizes based on Lucky draw and every eligible customer will get a redeemable coupon for Rs 250/- to be used before one month of issue.
- (c) How will the participation level of Customers be measured?
- (d) . What will be the impact on Loyalty of Customer by such measures?

As per application of concepts and relevance