

CMR INSTITUTE OF TECHNOLOGY		USN <input type="text"/>								
Internal Assessment Test - I										
Sub:	Marketing Management						Code:	22MBA15		
Date:	16-03-2023	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)	Define the term marketing. According to the American Marketing Association (AMA), marketing is defined as “the activity, set of institutions and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large”.						[03]	CO1	L1	
(b)	Summarize the evolution of marketing concept. EVOLUTION OF MARKETING CONCEPT Although the concept of marketing emerged after the industrial revolution, the change in businesses in terms of adapting to the concept came about gradually. It took many years for businesses to realize that satisfying customers is the key for making sales and profits in the long run. Businesses have gone through different phases or stages of marketing over the years. These stages can be classified as the production, product, sales and marketing eras. Philip Kotler has given five alternative concepts. They include: 1. The Production Concept 2. The Product Concept 3. The Selling Concept 4. The Marketing Concept 5. The Societal Concept The Production Concept The production concept is one of the oldest concepts in business. It holds that consumers prefer products that are widely available and inexpensive. Managers of production-oriented businesses concentrate on achieving high production efficiency, low costs, and mass distribution. This orientation makes sense in developing countries such as China, where the largest PC manufacturer, Legend (principal owner of Lenovo Group), and domestic appliances giant Haier take advantage of the country’s huge and inexpensive labor pool to dominate the market. Marketers also use the production concept when they want to expand the market. The Product Concept The product concept proposes that consumers favor products offering the most quality, performance, or innovative features. However, managers are sometimes caught in a love affair with their products. They might commit the “better-mousetrap” fallacy, believing a better product will by itself lead people to beat a path to their door. A new or improved product will not necessarily be successful unless it’s priced, distributed, advertised, and sold properly. The Selling Concept The selling concept holds that consumers and businesses, if left alone, won’t buy enough of the organization’s products. It is practiced most aggressively with unsought goods—goods buyers don’t normally think of buying such as insurance and cemetery						[07]	CO1	L2	

	<p>plots—and when firms with overcapacity aim to sell what they make, rather than make what the market wants.</p> <p>Marketing based on hard selling is risky. It assumes customers coaxed into buying a product not only won't return or bad-mouth it or complain to consumer organizations but might even buy it again.</p> <p>The Marketing Concept The marketing concept emerged in the mid-1950s⁴¹ as a customer-centered, sense-and-respond philosophy. The job is to find not the right customers for your products, but the right products for your customers. Dell doesn't prepare a perfect computer for its target market. Rather, it provides product platforms on which each person customizes the features he or she desires in the computer. The marketing concept holds that the key to achieving organizational goals is being more effective than competitors in creating, delivering, and communicating superior customer value to your target markets.</p> <p>The Holistic Marketing Concept Holistic marketing concept considers all the different parts of a business as one single entity. It is based on the premise that the whole is greater than the sum of its parts. As such, there is a shared aim and purpose for all the activities related to a business. This ensures that each person in every department, from sales to operations to HR to marketing and others, work towards one common goal.</p> <p>The Societal Marketing Concept This new concept goes beyond understanding the consumer needs and matching the products accordingly. This philosophy cares for not only consumer satisfaction but for consumer welfare or social welfare. Such social welfare speaks of pollution-free environment and quality of human life. Thus, a firm manufacturing a pack of cigarettes for consumers must not only produce the best cigarettes but pollution-free cigarettes; an automobile not only fuel efficient but less pollutant one. In other words, the firm is to discharge its social responsibilities. Thus, social welfare becomes the added dimension.</p> <p>These concepts may be termed as the approaches or, sometimes, the evolution stages of marketing development. When they are taken as the evolution stages, the order (sequence) from the first concept to the last concept must be maintained. First three concepts are traditional; the fourth is a modern concept; and the last is the latest concept. Today's marketing practices are based on a combination of the last three concepts. Below discussion gives alternative concepts with key elements.</p>			
(c)	<p>“Marketing begins and ends with customers”. Justify the statement with examples drawn from the passenger vehicles market.</p> <p>The present day marketing is customer-oriented rather than product-oriented. Marketing management deals with planning, organising, directing and controlling the activities related to the marketing of goods and services to satisfy the consumer's wants. It assumes that an organization can achieve its objective of maximisation of profit by identifying the needs of its present and prospective buyers and satisfying them in an effective way. All the decisions in a firm are taken from the point of view of the customers. For example, what product will be produced, with what features and at what price shall it be sold, or where shall it be made available for sale.</p> <p>The marketing concept of marketing is based upon the following pillars:</p> <ol style="list-style-type: none"> a. Identification of the target – market or customers. b. Understanding needs and wants of customers in the target market. c. Development of products or services for satisfying needs of the target market. 	[10]	CO1	L5

	<p>d. Satisfying needs of target market better than the competitors. e. Undertaking all these activities for a profit. (Students should elaborate on the above points)</p> <p>Thus, all the activities of marketing revolve around customer.</p>			
2 (a)	<p>Define the term consumer behavior. Consumer Behaviour is a study of how individuals make decisions to spend their available resources like time, money and effort on consumption related items (what they buy, why they buy, when they buy, where they buy, how often they buy & use a good or service). For example, mobile phone companies show much interest to know how a guy from middle-class family makes various decisions related to purchase of a mobile phone.</p>	[03]	CO2	L1
(b)	<p>Examine the role of 'experience' in marketing of products to the customers with special reference to consumer electronics like smartphones or smart TVs etc. (Students should apply the below discussions to the given products)</p> <p>Experience marketing, or experiential marketing, focuses on a consumer's in-person experience with the brand and its products or services. Effective experience marketing can gain share-of-mind among consumers and create word-of-mouth attention for a brand. Many other forms of marketing focus on the concept of reach, wherein the goal is to attract the attention of as many potential consumers as possible. Experiential marketing focuses more on resonance, or creating impactful impressions on select consumers. Most experiential marketing has geographical limits, usually because it's an in-person event or activation in a physical location. Experience marketing is possible through online streaming events, although this is less common. The goal for experience marketing is to give consumers an opportunity to experience the brand in exaggerated and memorable ways, and to gain a unique and privileged understanding of its products or services.</p>	[07]	CO2	L3
(c)	<p>Discuss the various roles played by people in the process of purchase decision-making. When a customer enters an electronic store, his purchase decision is not just his own. Many people might have influenced him. So, it is very important for marketers to find out the various roles played by many people who may influence his purchase decisions. The various roles played by people in purchase decision are known as Buying Roles. They are:</p> <ul style="list-style-type: none"> • Initiator: A person who initiates the idea of purchasing the product. He recognizes that the problem can be solved or avoided by acquiring the product. • Influencer: A person whose views and advice influence the buying decision. The range of influencers becomes broad when major purchase decisions have to be made. • Decider: A person who decides where, when, why and how to buy the products. • Buyer: A person who actually purchases the product. • User: A person who actually uses the product. • Maintainer: A person who repairs or services the product. • Disposer: A person who disposes the product. • Gatekeeper: A person who controls the flow of information between buyer and seller <p>(Students should elaborate the above points)</p>	[10]	CO2	L2
3 (a)	<p>List out the various macro-economic factors that affect the functioning of a business. Demographic</p>	[03]	CO1	L1

	Political Economic Socio-cultural Technological Natural			
(b)	<p>Analyze the marketing mix strategies followed by personal care companies like HUL.</p> <p>Product Mix of Hindustan Unilever Limited</p> <p>Food Products In the ice cream sector, HUL currently has Kwality Wall's, Cornetto, and Magnum. Hindustan Unilever Limited owns some of the most popular brands in tea and coffee, including Lipton, Taaza, 3 Roses and Red Label. BRU is its own brand for coffee. Salt, Atta are all brands sold under the Annapurna company. They provide instant food options and spices under the Knorr brand; in addition, they offer ketchup, squashes, jams under the Kissan brand.</p> <p>Homecare Brands Magic – (water saver) Vim dishwash Surf Excel washing powder Sunlight washing powder Rin detergent Wheel detergent</p> <p>Brands related to Personal Care TIGI Vaseline lotions for skincare Sunsilk shampoo Rexona soap Pond's cream and talc Pepsodent toothpaste Pears soap Lux body wash, soap and deodorant Liril soap Lifebuoy handwash and soap Lakme beauty merchandises Hamam soap Fair& Lovely products for skin lightening Denim products for shaving Dove hair-care range and skin products Close-up toothpaste Clinic Plus oil and shampoo Lever personal care and health care products Axe soap, deodorant and after-shaving lotion</p> <p>Price Strategy of Hindustan Unilever Limited HUL was one of the first Indian companies to implement a price strategy when it began pricing its products with a 'value-based' approach. This strategy has been widely adopted by most Indian companies and has helped them gain market share in India and abroad.</p> <p>HUL's pricing strategy is based on three categories: value, value plus, and premium. The company believes that there is an increasing demand for products that offer superior quality at affordable prices.</p>	[07]	CO1	L4

Place & Distribution Strategy of Hindustan Unilever Limited

Hindustan Unilever Limited is an Indian multinational consumer goods company with a market share of 5.1% in the overall branded consumer goods industry.

Hindustan Unilever Limited has been ranked as the second most valuable company in India, with a market capitalization of \$61 billion.

The distribution strategy of Hindustan Unilever Limited includes a wide range of products and services that are sold through modern retail channels, such as supermarkets and hypermarkets, department stores, drug stores and convenience stores. Hindustan Unilever Limited also offers direct-to-consumer businesses such as its online business Flipkart, amazon. The company’s portfolio includes more than 400 brands which include well-known global brands like Dove,

The distribution strategy of HUL is to focus on the developing markets and build strong brands for their products. They have strong distribution channels which help them reach their target audience at lower costs.

HUL has been able to grow by focusing on emerging markets such as China, Latin America, Africa and the Middle East.

Promotion Strategy of Hindustan Unilever Limited

Hindustan Unilever Limited is a multinational consumer goods company. They have been successful in managing their brand image and have also been able to maintain their competitive edge by implementing a promotion strategy that is unique, innovative and effective.

Hindustan Unilever Limited has a great deal of experience when it comes to promoting its products. Their marketing strategy has been very effective in the past and they are now looking for ways to improve it further. There are three key focuses for their upcoming campaigns:

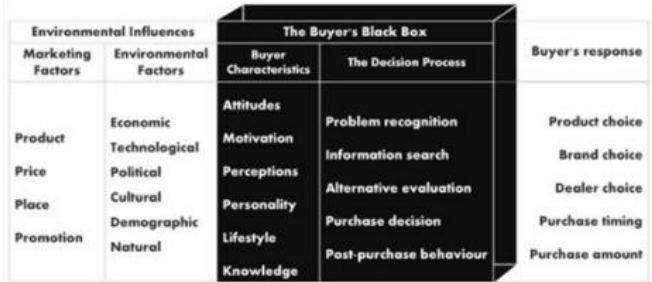
Engagement: The company wants to engage with consumers through interactive content that will help them learn about the product benefits and how they can use them.

Reach: The company wants to reach out to more people with this campaign.

Value: The company wants to create value for consumers so they offer low prices or higher volumes.

(c) Discuss how the black box model helps the marketers in studying the buyer’s decision-making process.

Another model of consumer behavior, called the stimulus-response or “black box” model, focuses on the consumer as a thinker and problem solver who responds to a range of external and internal factors when deciding whether or not to buy. These factors are shown in the figure, below:



As illustrated in the figure above, the external stimuli that consumers respond to include the marketing mix and other environmental factors in the market. The marketing mix (the four Ps) represents a set of stimuli that are planned and created by

[10]

CO2

L2

	<p>the company. The environmental stimuli are supplied by the economic, political, and cultural circumstances of a society. Together these factors represent external circumstances that help shape consumer choices.</p> <p>The internal factors affecting consumer decisions are described as the “black box.” This “box” contains a variety of factors that exist inside the person’s mind. These include characteristics of the consumer, such as their beliefs, values, motivation, lifestyle, and so forth. The decision-making process is also part of the black box, as consumers come to recognize they have a problem they need to solve and consider how a purchasing decision may solve the problem. As a consumer responds to external stimuli, their “black box” process choices based on internal factors and determine the consumer’s response—whether to purchase or not to purchase.</p>			
	<p>Part B - Compulsory (01*10=10marks)</p>			
<p>4</p>	<p>Indian consumer behavior has completely reset back to pre-Covid consumption levels across the product categories. For instance, the sales of Dabur Healthcare brands are found to be down by 7% while Aditya Birla Fashion & Retail has claimed that their sales in wedding and work-wear categories are better than the pre-pandemic times and Raymond’s observed that shopping for weddings at their stores are on the rise. In the light of the above discussion, answer the below questions.</p> <p>a) Interpret the reasons why the behavior of customers are usually unpredictable, as seen in the above case.</p> <p>Consumer behavior is usually unpredictable, as there are several factors that are influencing them before, while and after making purchase decision making. As explained in the Block Box Model (students should write about it and the various components in it) consumers are influenced by several factors and forces to act in a particular way at a given point of time. Covid-induced fear/precautions can be seen among most of the people when it comes to most of the expensive, luxury and non-health/non-hygienic goods.</p> <p>b) Analyze the various factors that might be responsible for the rise of consumption levels among Indian consumers after the pandemic.</p> <p>Beyond impacting some of the factors that determine consumer spend—such as consumer confidence, unemployment levels, or the cost of living—the COVID-19 pandemic has also drastically altered how and where consumers choose to spend their hard-earned cash.</p> <p>The link between sentiment and intent to spend As consumers grapple with uncertainty, their buying behaviour becomes more erratic. What is clear however, is that they have reduced spending on all non-essential products and services. But as each country moves along the COVID-19 curve, we can see a glimmer of increasing optimism levels, which in turn is linked to higher spending. India’s consumers, for example, are displaying higher levels of optimism, with more households planning to increase spend—a trend that is also evident in China, Indonesia, and Nigeria. Meanwhile, American consumers are still more optimistic about the future than Europeans. 37% of Americans believe the country will recover in 2 or 3 months—albeit with optimism levels at the highest for people who earn over \$100K.</p>	<p>[05]</p> <p>[05]</p>	<p>CO2</p> <p>CO2</p>	<p>L2</p> <p>L4</p>

	<p>Strategic Consumer Spending: Globally, consumers continue to spend—and in some cases, spend more compared to pre-pandemic levels—on some necessities such as groceries and household supplies. Due to changes in media consumption habits, consumers in almost all countries surveyed say they will increase their spend on at-home entertainment. This is especially true for Korea, a country that already boasts a massive gaming culture. As restrictions in China lift, many categories such as gasoline, wellness, and pet-care services appear to be bouncing back, which could be a positive sign for other countries following a similar trajectory. But while consumers amp up their spending on the things they need, they also anticipate spending less in other categories</p>			

Course Outcomes		PO1	PO2	PO3	PO4	PO5
CO1	Comprehend the concepts of Marketing Management.	1(a) 3(a)	1(b) 1(c)		2(b) 3(b)	
CO2	Gain knowledge on consumer behavior and buying process	2(a)	2(c)	3(c)	4(a) 4(b)	
CO3	Understand concept of Product and Brand Management, Branding and Pricing strategies					
CO4	Identify marketing channels and the concept of product distribution, techniques of sales promotion					
CO5	Simplify ideas into a viable marketing plan for various modes of marketing					
Cognitive level	KEYWORDS					
L1 - Remember	list, define, tell, describe, recite, recall, identify, show, label, tabulate, quote, name, who, when, where, etc.					
L2 - Understand	describe, explain, paraphrase, restate, associate, contrast, summarize, differentiate interpret, discuss					
L3 - Apply	calculate, predict, apply, solve, illustrate, use, demonstrate, determine, model, experiment, show, examine, modify					
L4 - Analyze	classify, outline, break down, categorize, analyze, diagram, illustrate, infer, select					
L5 - Evaluate	grade, test, measure, defend, recommend, convince, select, judge, support, conclude, argue, justify, compare, summarize, evaluate					
L6 - Create	design, formulate, build, invent, create, compose, generate, derive, modify, develop, integrate					

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

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