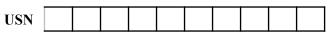
CMR INSTITUTE OF TECHNOLOGY





Internal Assessment Test - 2

Sub: Marketing Management						Code:	22MBA15	
Date:	18/05/'23	Duration: 90 mins. Max Marks: 50 Sem: I Branch: MBA / Sec-		MBA / Sec-A				
OPT I								

	SEI-I				
			OBE		
		Marks	СО	RBT	
	Part A - Answer Any Two Full Questions (2* 20 = 40 marks)				
1 (a)	What is a potential product? Judge the need for companies to develop potential products.	[03]	CO3	L5	
	Answer: This includes all the augmentations and transformations a product might undergo in the future. To ensure future customer loyalty, a business must aim to surprise and delight customers in the future by continuing to augment products. It also helps the company to keep their brands relevant to the future generations it plans to serve.	[07]	CO3	L5	
(b)	What is PLC in marketing? Recommend a suitable strategy for a product in its maturity stage.				
	Answer:				

PLC is the short form of Product Life Cycel. It's a concept in marketing which states that every product passes through a series of phases/stages in its life cycle -Birth/Introduction, Growth, maturity and Declines stages.

Marketing Strategies for Maturity Stage:

In this stage, competitors have entered the market. There is severe fight among them for more market share. The company adopts offensive/aggressive marketing strategies to defeat the competitors.

Following possible strategies are followed:

1. To Do Nothing:

To do nothing can be an effective marketing strategy in the maturity stage. New strategies are not formulated. Company believes it is advisable to do nothing. Earlier or later, the decline in the sales is certain. Marketer tries to conserve money, which can be later on invested in new profitable products. It continues only routine efforts, and starts planning for new products.

2. Market Modification:

This strategy is aimed at increasing sales by raising the number of brand users and the usage rate per user. Sales volume is the product (or outcome) of number of users and usage rate per users. So, sales can be increased either by increasing the number of users or by increasing the usage rate per user or by both. Number of users can be increased by variety of ways.

There are three ways to expand the number of users:

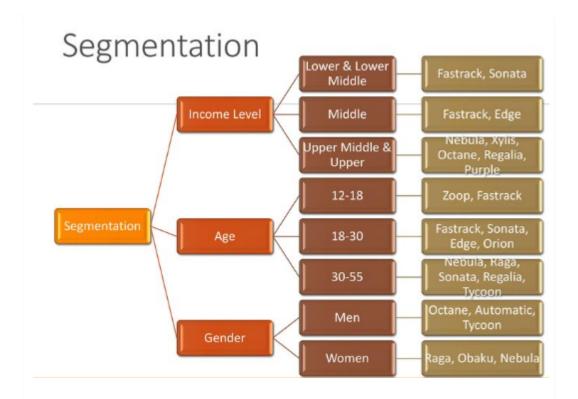
- i. Convert non-users into users by convincing them regarding uses of products
- ii. Entering new market segments
- iii. Winning competitors' consumers

Sales volume can also be increased by increasing the usage rate per user.

	This is possible by following ways: i. More frequent use of product ii. More usage per occasion iii. New and more varied uses of product 3. Product Modification: Product modification involves improving product qualities and modifying product characteristics to attract new users and/or more usage rate per user. Product modification can take several forms: i. Strategy for Quality Improvement: Quality improvement includes improving safety, efficiency, reliability, durability, speed, taste, and other qualities. Quality improvement can offer more satisfaction. ii. Strategy for Feature Improvement: This includes improving features, such as size, colour, weight, accessories, form, get-up, materials, and so forth. Feature improvement leads to convenience, versatility, and attractiveness. Many firms opt for product improvement to sustain maturity stage. Product improvement is beneficial in several ways like: (1) It builds company's image as progressiveness, dynamic, and leadership, (2) Product modification can be made at very little expense, (3) It can win loyalty of certain segments of the market, (4) It is also a source of free publicity, and (5) It encourages sales force and distributors. 4. Marketing Mix Modification: This is the last optional strategy for the maturity stage. Modification of marketing mix involves changing the elements of marketing mix. This may stimulate sales. Company should reasonably modify one or more elements of marketing mix (4P's) to attract buyers and to fight with competitors. Marketing mix modification should be made carefully as it is easily imitated.			
(c)	Recommend any 5 pricing strategies relevant to luxury watches. Answer: 1) Following strategies can be adapted for luxury watches by the marketers. 2) Variable price 3) Optimised discounts 4) Skimming pricing 5) Premium pricing 6) Psychological pricing	[10]	CO3	L5
2 (a)	Explain why a distribution channel is often referred to as 'Value Network'. Answer A network which creates partnership and value in purchase, production and selling of products is referred to as value network. Value network looks at the whole supply chain system players as partners rather than customers. The purpose of value network is to increase productivity, save cost and increase revenue.	[03]	CO4	L2

[07] CO₄ Apply AIDA model of product promotion to a brand new AR/VR Headgear. L3 (b) **Answer:** Apply the following to the given products The AIDA Formula Create something that gets a member of your audience to stop what they're doing and pay attention, even if just for a moment. ATTENTION Appeal to the self-interest of your INTEREST audience and pull them into the story using interesting facts and uses. DESIRE Convince your audience that they want and desire what you're offering and that it will solve a specific problem they have. ACTION Lead the audience towards taking a specific and measurable action right now. **growth**marketer [10] CO₄ L5 (c) Determine what kind of channel conflicts would occur in the consumer electronics market. Also assess how they can be resolved. Channel conflict occurs when brands interfere with their partners' ability to sell and distribute products to customers. It typically occurs when a brand begins selling its products directly to consumers, disrupting channel partnerships with distributors, retailers, and agents who typically serve as intermediaries. **Types of Channel Conflicts** Explanation on each of the following conflict type must be given Types of Channel Conflict Vertical Horizontal Inter-Type Multi-Channel Level Level Channel Level Conflict Conflict Conflict Conflict HubSpbt **Conflict Resolution Techniques** 1. Resolution through Mitigation 2. Resolution through Conciliation 3. Resolution through Arbitration 4. Resolution through Regulation/Litigation

3 (a)	What is psychological pricing? Give some examples.	[03]	CO3	L1
	Answer: Psychological pricing is a strategy based on the idea that certain prices psychologically affect consumers in different ways.Examples are: 1. Charm/Odd-number pricing 2. Prestige pricing 3. BOGO 4. Artificial Time Constraints 5. Price Bundling 6. Flash Sales 7. Price Matching 8. Anchored pricing			
(b)	What is a new product? Recommend various steps to be followed in developing new product for a fashion accessory company.	[07]	CO3	L6
	Answer: A new product is a product that is new to the company introducing it even though it may have been made in the same form by others.			
	Apply the below stages to the given product			
	The new product development process Idea generation Concept development and testing Marketing strategy and business analysis Product development development warketing Product development marketing Product development warketing Product development warketing			
(c)	Justify the need for segmenting the market for watches. Develop segmentation strategies for a watch brand.	[10]	CO5	L6
	Answer: Segmentation helps marketers to be more efficient in terms of time, money and other resources. Market segmentation allows companies to learn about their customers. They gain a better understanding of customer's needs and wants and therefore can tailor campaigns to customer segments most likely to purchase products.			



Part B - Compulsory (01*10=10 marks) - CASE STUDY

4 Case Study

Early this year, billionaire Mukesh Ambani's Reliance Consumer Products Ltd (RCPL) has relaunched the 50-year old, iconic carbonated beverage brand Campa in a new avatar, after acquiring the brand from Pure Drinks group for Rs. 22 crores. RCPL in a statement said, it is "bringing back The Great Indian Taste with Campa". As stated by the company, it is in line with the company's strategy to ramp up its consumer goods business against its competitors – Adani, ITC, HUL and the likes and also to promote homegrown Indian brands that not only have a rich heritage but also boast a deep-rooted connect with Indian consumers due to their unique tastes and flavors. The product portfolio of Campa will initially include Campa Cola, Campa Lemon and Campa Orange. The company announced in a statement that the cold beverage portfolio will initially be available in Andhra Pradesh and Telangana and will be rolled out across the country in stages.

Five thirst-quenching pack sizes will be offered under the Campa range for several consumption occasions: a 200ml immediate consumption pack, 500ml and 600ml on-the-go sharing packs and 1,000ml and 2,000ml home packs. Though the company did not indicate the pricing of Campa, market watchers predicted that RCPL is interested to keep the prices of Campa lower than the other cola brands in the market. Speaking on the price line, the company said in a press meet that RCPL's roll-out of its cold beverage portfolio across India, starting with Andhra Pradesh and Telangana, is aligned with the company's overall vision of offering value and choice to Indian consumers through high-quality products at affordable price points.

(a) Why do you think RCPL acquires an old brand rather than developing a new brand of its own.

Answer:

As an old brand, Campa has already built a reputation for itself among the older generations. When RCPL buys a company, it won't just buy the brand name, but it also buys all the "good-will" that surrounds the brand. It is the reputation that RCPL buys

CO₃ L1

[5]

that Campa has built throughout the course of its existence. Additionally, Campa has an effect of nostalgia which helps RCPL to regain a market for it.

(b) Assume that Campa successfully passed through the 'Introduction' phase of its PLC. Recommend suitable marketing strategies for Campa fortis 'Growth' phase outfits PLC.

CO3 L5

[5]

Answer:

Apply the following to the Campa:

Marketing strategies used in the **growth stage** mainly aim to increase profits. Some of the common strategies to try are:

- 1. improving product quality
- 2. adding new product features or support services to grow your market share
- 3. entering new markets segments
- 4. keeping pricing as high as is reasonable to keep demand and profits high
- 5. increasing distribution channels to cope with growing demand
- 6. shifting marketing messages from product awareness to product preference
- 7. skimming product prices if your profits are too low

The growth stage is when you should see rapidly rising sales, profits and your market share. Your strategies should seek to maximise these opportunities.

Course Outcomes (COs)		P O 1	P O 2	P O 3	P O 4	P O 5	P S O 1	P S O 2	P S O 3	P S O 4
CO1:	Comprehend the concepts of Marketing Management.									
CO2:	Gain knowledge on consumer behavior and buying process									_
CO3:	Understand concept of Product and Brand Management, Branding and Pricing strategies			1(b) 1(c) 3(b)	1(a) 3(a)		1(a) 2(a) 3(a) 4(a)	1(b) 1(c) 2(c) 4(b)	2(b) 3(b) 3(c)	
CO4:	Identify marketing channels and the concept of product distribution, techniques of sales promotion	2(a)		2(b)	2(c)					
CO5:	Simplify ideas into a viable marketing plan for various modes of marketing	4(a)		4(b)	3(c) 4(c)					

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	asses, decide, choose, rank, 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	

PO1-Theoretical Knowledge; PO2-Foster Analytical and Critical Thinking Abilities for data based decision making;

PO3- Develop Value Based Leadership; PO4 -Ability to Understand and communicate various business aspects to global;

PO5 – Ability to lead themselves and others in the achievement of organizational goals contributing effectively to a team environment:

PSO1- Comprehend Contemporary features of Business Management Science and its administration

PSO2- Analyze and interpret the dynamic situations for malage for management strategies

PSO3- Handle responsibility with the ethical values for all actions undertaken by them

PSO4- Adapt and focus on achieving the organizational goal and objectives with complete zeal and commitment.

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