

Internal Assessment Test - II

Sub: Marketing Management

Code: MBA105

SCHEME AND SOLUTION

		Marks
Part A - Answer Any Two Full Questions (2* 20 = 40 marks)		
1 (a)	<p>What is meant by labelling? Explain its role in the consumer buying process.</p> <p>✓ Scheme of Evaluation (3 Marks)</p> <ul style="list-style-type: none"> • Meaning/Definition – 1 Mark • Features/Functions – 1 Mark • Role in Buying Process – 1 Mark <p>✓ Solution</p> <p>Labelling refers to the written information printed on a product package that provides details such as brand name, ingredients, usage instructions, price, manufacturing date, expiry date, and safety warnings.</p> <p>Role in Consumer Buying Process:</p> <ol style="list-style-type: none"> 1. Problem Recognition – Label communicates benefits (e.g., “Sugar-free”, “Organic”). 2. Information Search – Provides product details for comparison. 3. Evaluation of Alternatives – Helps compare ingredients, price, certifications. 4. Purchase Decision – Influences trust and final selection. 5. Post-Purchase Behavior – Usage instructions enhance satisfaction. <p>Thus, labelling acts as a silent salesperson.</p>	[03]
(b)	<p>Define a distribution channel. Explain the major types of distribution channels and give relevant examples for each.</p> <p>✓ Scheme of Evaluation (7 Marks)</p> <ul style="list-style-type: none"> • Definition – 1 Mark • Direct Channel – 2 Marks • Indirect Channel (1-level, 2-level, 3-level) – 3 Marks • Examples – 1 Mark <p>✓ Solution</p> <p>A Distribution Channel is a network of intermediaries through which goods move from producer to final consumer.</p> <p>Major Types:</p> <p>1 Direct Channel (Zero-Level)</p> <p>Producer → Consumer No intermediaries involved. Example: Dell Technologies selling laptops directly online.</p> <p>2 One-Level Channel</p> <p>Producer → Retailer → Consumer Example: Nike selling through exclusive retail stores.</p> <p>3 Two-Level Channel</p> <p>Producer → Wholesaler → Retailer → Consumer Common in FMCG sector. Example: Hindustan Unilever products distributed via wholesalers.</p>	[07]

	<p>4 Three-Level Channel Producer → Agent → Wholesaler → Retailer → Consumer Used in large geographical markets. Choice depends on product type, market coverage, and company resources.</p>	
(c)	<p>Evaluate internal and external factors influencing pricing objectives.</p> <p>✓ Scheme of Evaluation (10 Marks)</p> <ul style="list-style-type: none"> • Introduction – 1 Mark • Internal Factors – 4 Marks • External Factors – 4 Marks • Evaluation/Conclusion – 1 Mark <p>✓ Solution Pricing objectives are influenced by both internal and external factors.</p> <p>◆ Internal Factors</p> <ol style="list-style-type: none"> 1. Marketing objectives (profit maximization, survival, market share). 2. Cost structure (fixed & variable costs). 3. Product life cycle stage. 4. Organizational goals and brand positioning. <p>◆ External Factors</p> <ol style="list-style-type: none"> 1. Demand elasticity. 2. Competition pricing. 3. Government regulations (GST, price controls). 4. Economic conditions (inflation, recession). 5. Consumer perception of value. <p>Evaluation: Internal factors are controllable, while external factors are uncontrollable. Effective pricing balances cost, competition, and customer value.</p>	[10]
2 (a)	<p>What do you understand by the acronym AIDA? In which context is it used?</p> <p>✓ Scheme of Evaluation</p> <ul style="list-style-type: none"> • Full form – 1 Mark • Explanation of each stage – 2 Marks <p>✓ Solution AIDA stands for:</p> <ul style="list-style-type: none"> • Attention – Attract customer interest • Interest – Generate curiosity • Desire – Create preference • Action – Encourage purchase <p>It is used in advertising and promotional communication planning.</p>	[03]
(b)	<p>What are the 4 targeting strategies for marketers? Select suitable targeting strategies for a furniture business.</p> <p>✓ Scheme of Evaluation</p> <ul style="list-style-type: none"> • Four strategies – 4 Marks • Application to furniture business – 3 Marks <p>✓ Solution Targeting Strategies:</p> <ol style="list-style-type: none"> 1. Undifferentiated Marketing – One product for entire market 2. Differentiated Marketing – Multiple segments, multiple offerings 3. Concentrated (Niche) Marketing – Focus on one segment 	[07]

	<p>4. Micromarketing – Customized marketing (local/individual)</p> <p>Suitable for Furniture Business:</p> <p>A Differentiated Strategy is suitable:</p> <ul style="list-style-type: none"> • Budget furniture for middle-class families • Premium furniture for luxury homes • Office furniture for corporate clients <p>Example: IKEA uses differentiated marketing.</p>	
(c)	<p>Analyze the role of advertising in consumer decision-making.</p> <p>✓ Scheme of Evaluation</p> <ul style="list-style-type: none"> • Introduction – 2 Marks • Role in each buying stage – 6 Marks • Conclusion – 2 Marks <p>✓ Solution</p> <p>Advertising influences all stages:</p> <ol style="list-style-type: none"> 1. Problem Recognition – Highlights needs. 2. Information Search – Provides product knowledge. 3. Evaluation of Alternatives – Shows USP. 4. Purchase Decision – Persuasive messaging. 5. Post Purchase – Reinforces brand loyalty. <p>Example: Apple Inc. advertisements emphasize innovation and lifestyle appeal. Advertising builds awareness, brand recall, and loyalty.</p>	[10]
3 (a)	<p>What is sensory marketing? Give some examples.</p> <p>✓ Scheme</p> <ul style="list-style-type: none"> • Definition – 1 Mark • Examples – 2 Marks <p>✓ Solution</p> <p>Sensory Marketing appeals to the five senses (sight, sound, smell, taste, touch). Examples:</p> <ul style="list-style-type: none"> • Starbucks aroma of coffee (smell) • Retail store music (sound) • Attractive packaging (sight) 	[03]
(b)	<p>What is repositioning? Examine the reasons for some companies repositioning their existing brands.</p> <p>✓ Scheme</p> <ul style="list-style-type: none"> • Meaning – 2 Marks • Reasons – 5 Marks <p>✓ Solution</p> <p>Repositioning means changing the perception of a brand in consumer minds. Reasons:</p> <ol style="list-style-type: none"> 1. Declining sales 2. New competition 3. Change in customer preferences 4. Technological changes 5. Entering new segments <p>Example: Old Spice repositioned from older men to youth segment.</p>	[07]
(c)	<p>Evaluate the role of digital marketing, green marketing, and relationship marketing in modern marketing planning.</p>	[10]

	<p>✓ Scheme</p> <p>Explanation of each – 6 Marks</p> <p>Evaluation – 4 Marks</p> <p>✓ Solution</p> <p>1 Digital Marketing</p> <p>Use of social media, SEO, online ads. Example: Amazon uses targeted digital ads.</p> <p>2 Green Marketing</p> <p>Eco-friendly practices & products. Example: Patagonia promotes sustainability.</p> <p>3 Relationship Marketing</p> <p>Focus on long-term customer retention. Example: Tata Group builds trust-based relationships.</p> <p>Evaluation:</p> <p>Modern marketing planning integrates all three for sustainable competitive advantage.</p>	
4	<p>Case Study: FreshSip is a packaged fruit juice brand sold in supermarkets and online platforms. The company initially marketed its juices to “all age groups” with a general message of being healthy and refreshing. However, sales growth has slowed because customers are unable to clearly identify who the product is meant for. Some consumers see it as a premium health drink, while others compare it with low-priced regular juices. Competitors have started targeting specific segments such as kids, fitness enthusiasts, and busy professionals with clear positioning. FreshSip’s current advertising and packaging do not highlight a strong unique benefit, which affects brand recall. The marketing team now wants to segment the market properly, select a focused target group, and reposition the brand using product differentiation strategies to improve performance.</p>	
	<p>1. Analyze the possible segmentation bases FreshSip can use and recommend a suitable target market.</p> <p>✓ Scheme</p> <ul style="list-style-type: none"> • Segmentation bases – 3 Marks • Recommended target – 2 Marks <p>✓ Solution</p> <p>Segmentation Bases:</p> <ol style="list-style-type: none"> 1. Geographic – Urban vs rural 2. Demographic – Age, income 3. Psychographic – Health-conscious consumers 4. Behavioral – Usage rate, benefits sought <p>Recommended Target: Health-conscious urban professionals (25–40 years) Reason: Growing fitness awareness & premium buying capacity.</p>	<p>[05]</p> <p>[05]</p>

2. Suggest a clear positioning strategy with product differentiation to strengthen FreshSip's brand image.

✔ **Scheme**

- Positioning statement – 2 Marks
- Differentiation strategy – 3 Marks

✔ **Solution**

Positioning Strategy:

“FreshSip – 100% Natural Energy Boost for Active Lifestyles.”

Product Differentiation:

- No added sugar
- Cold-pressed technology
- Eco-friendly packaging
- High vitamin content

This creates clear brand identity and avoids confusion between premium and regular juice.