Reg. No. \_\_\_\_\_\_\_\_\_\_\_\_\_



**End Semester Examination – Nov / Dec – 2019**

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| **Code :** | **18MS3002** | **Duration :** | **3hrs** |
| **Sub. Name :** | **MARKETING MANAGEMENT** | **Max. Marks :** | **100** |

**ANSWER ALL QUESTIONS (5 x 20 = 100 Marks)**

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| **Q. No.** | **Sub Div.** | **Questions** | **Course**  **Outcome** | **Marks** |
| 1. | a. | Define Marketing. Explain the various functions of marketing in the context of Consumer durables market. | CO1 | 16 |
| b. | Differentiate Sales with Market orientation. | CO1 | 4 |
| **(OR)** | | | | |
| 2. |  | Define Global Marketing. Explain the benefits and strategies of global marketing. | CO3 | 20 |
|  |  |  |  |  |
| 3. |  | Describe the steps in the buying process of consumer durable, like a motor cycle, starting with the need identification. | CO2 | 20 |
| **(OR)** | | | | |
| 4. |  | Distinguish between Brand extension and Line extension with an illustration of any chosen brand in the market. | CO1 | 20 |
|  |  |  |  |  |
| 5. |  | Describe the four bases of Market Segmentation and give examples for each type. | CO1 | 20 |
| **(OR)** | | | | |
| 6. |  | Explain the various stages of Product Life Cycle. Suggest appropriate marketing strategies for each stage for a Shoe market. | CO2 | 20 |
|  |  |  |  |  |
| 7. |  | Explain the importance of advertising for the success of a Biscuit Manufacturing Industry. | CO2 | 20 |
| **(OR)** | | | | |
| 8. |  | Explain the formulation of marketing mix of a service organization with an example of Hospital Industry. | CO4 | 20 |
|  | |  |  |  |
|  | | **Compulsory**: |  |  |
| 9. |  | Julie has been concerned about the profitability of the various items in her line of potato chips. According to the recent drought caused a 35% reduction in the potato crop compared to one year ago, resulting in a 25% hike in potato prices to large buyers like Julie’s company. Potatoes accounted for almost all of the content of her chips (which also consisted of vegetable oil one of three different flavouring spices and salt), plus there were packaging costs. To hold the line on margins, which off late had been slim at only about 5% due to fierce competition from several other local and regional brands, Julie would need to raise potato chip prices about 15%. On her most popular 7.5 ounce size, which had a prize spot of $1.59 on the package, this would require a price hike of $.24, bringing the price up to $1.83.  Julie wondered what would be the appropriate strategy to deal with this unfortunate circumstance. She was very reluctant to raise the price to maintain the margin. First, she feared incurring the bad will of her loyal customers; it wouldn’t be perceived as fair by them. Moreover, she was a worried about competitive responses; her other larger competitors might be willing to incur a loss in the short-run to keep their customer bases and to attract price-hiking rivals customers. Julie couldn’t afford such a strategy since she was evaluated solely on the basis of monthly net profits. Historical data in this industry revealed another possible competitive manoeuvre in the face of rising ingredient costs; hold the line on prices and package size while reducing the net weight of the package. Julie was concerned that this might be a deceptive practice. She recalled from a Consumer Behaviour course she had taken in college a concept known as the “just noticeable difference”. This said that relatively small changes in the stimulus such as a price hike or content shrinkage go unnoticed by consumers.  Julie felt intuitively that the price increase is necessary to maintain margins would be noticed, given the price sensitivity of buyers for snack foods. However, the past industry data suggested that perhaps buyers might not notice the package size reduction needed to sustain profits which in this case would be 1.1 ounces. Julie asked her boss Dave the Marketing Director about the advisability of reducing the net weight of the potato chips. Dave said that this was a practice known variously as “downsizing” and “package shorting”. It was a very common practice among packaged goods manufacturers. Dave said that was a nonissue since marketers have been above board in labelling products accurately as to weight, serving size, price and quantity. Further more the Food and Drug Administration had no laws against the practice. Dave recommended downsizing the potato chips, but he made it clear to Julie that the ultimate decision was up to her. Julie still had doubts after all it would seem that consumers who are in the habit of buying a particular product size generally don’t scrutinise the net weight label on subsequent purchases. If this were true, it seemed to Julie that downsizing would be a deceptive practice. |  |  |
|  | a. | Discuss the role of Ethical practices in Marketing from this case. | CO2 | 10 |
|  | b. | If you were in Julie’s place what would you do? Justify. | CO3 | 10 |