

Code: 17BA2T3

**I MBA - II Semester – Regular/Supplementary Examinations  
April 2019**

**MARKETING MANAGEMENT**

Duration: 3 hours

Max. Marks: 60

**SECTION - A**

**1. Answer the following:**

**5 x 2 = 10 M**

- a) Define market data analysis.
- b) Selecting target markets.
- c) Product mix and line.
- d) Channel Management decisions.
- e) Trends in wholesaling.

**SECTION – B**

**Answer the following:**

**5 x 8 = 40 M**

2. a) Critically evaluate the trends in marketing practices in the present global environment.

(OR)

b) Describe the term Demand forecasting. Enumerate and briefly explain the methods of Demand forecasting.

3. a) Describe the Marketing strategy formulating process for a consumer product.

(OR)

b) Discuss the major market segmentation variables for water purifier and its benefits.

4. a) Explain the stages of product life cycle and strategies to adopt at every stage.

(OR)

b) Describe the objectives and various methods of pricing.

5. a) ‘Advertisement and sales promotions are inevitable in marketing’ Evaluate with examples.

(OR)

b) Discuss various forms of promotional activities.

6. a) Define Merchandising and explain its functions.

(OR)

b) Discuss about Green marketing and Consumerism.

## **7. Case Study**

**1 x 10 = 10 M**

HLL, an FMCG major, is a key player in the beverages industry, with strong brands like Red Label tea and Green Label coffee in its fold. HLL recorded sales of Rs.3,847 in the beverages category for the year 2016. HLL is the market leader in both the tea and coffee businesses. HLL has brands targeted at consumers from all income groups. They are categorized into the popular, economy and premium segments. In the popular segment, the company has brands like A1 and Tiger. In the economy segment, the company has Brooke Bond Red Label, and Lipton Taaza. At the high end, the company has Brooke Bond Taj Mahal and Lipton Yellow Label. A three – year study conducted to evaluate the tea consumption patterns of customers by IMRB has provided some important findings. The study found that the reasons for drinking tea varied

depending upon the social class the consumer belongs to. The lower income group consumer drank tea to get energy. The middle class customer consumed tea for relaxation. The upper-income group consumer consumed tea for social reasons. Analysts claim that tea companies need to position their brands based on the consumer perception with regard to tea. Companies targeting the lower end segment need to position their products as energy drinks, while the economy segment products should highlight the relaxation aspect. For the higher end segment, celebrity endorsements of the tea brand would help the company to attract the customers. These findings were used by HLL to refocus its brands to suit the needs of each segment. A1 and Tiger were repositioned as brands that have strong flavor and provide energy. These products were targeted at the loose tea consumers in order to upgrade them to branded tea users. The company came out with new variant of A1 that is fortified with vitamins which the company claims provides extra energy. In the economy segment also, the company repositioned Red label and Taaza to appeal to middle class consumers. Lipton Taaza was relaunched in a new nitrogen flushed pack which retains the freshness of tea powder for a longer period of time. Taaza was also positioned as a product that provides relaxation. In the premium segment to attract the upper – income group customers company roped in leading musicians to endorse the Taj Mahal brand.

HLL found that nearly 30% of the tea business comes from out-of-the-home consumption which is a relatively untapped market for branded players. The company has found that roadside tea stalls and vending machines constitute the bulk out-of-the-home tea consumption. So the company has focused on these two segments

to drive its growth. HLL identified that tea stall vendors had a different set of needs than the end-consumer. Their tea consumption varies according to the end-consumer demand. They need tea which provides strong flavor and gives a larger number of cups. Moreover they are not brand-conscious. HLL has decided to supply quality tea to the vendors on a daily basis. Through this, the company hopes to wean the tea vendors away from loose tea suppliers. HLL has created a unique distribution channel for providing a daily supply to these roadside stalls. At present HLL sells nearly 15,000 tonnes of tea daily through this route. To increase sales further, the company has set up the 'Good Life' club. The vendors who join the club will get incentives or freebies for every purchase. Hence the buyer has an incentive to purchase more of the product.

Questions:

1. Comment on the strategy used by HLL to segment the consumer tea market. How did it position its brands in each of the segments?
2. Analyze the HLL strategy to gain business from tea stall vendors. How did HLL succeed in attracting tea stall vendors?