

SVKM's NMIMS

School of Distance Learning

Programme: DBM/PGDBM/DMM/PGDMM/DITM/

PGDITM/DSCM/PGDSCM/ADITM/ADBFM/ADSCM

Academic Year: 2011-2012

Semester I/II/III

Subject: Marketing For Managers

Marks: 70

Date: 2.1.2012

Time: 11.00 a.m to 2.00 p.m

Course old

Instructions: Candidates should read carefully the instructions printed on the question paper and on the cover of the Answer Book, which is provided for their use.

NB:

1. All 4 questions to be attempted.
 2. All sub-questions carry equal marks.
 3. Answer to each new question to be started on a fresh page.
 4. Figure in brackets indicate full marks.
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Q1. Attempt any 2 out of 4

(Marks: 10)

- a. Explain how the marketing mix has to be changed during the different stages of the product life cycle.
- b. Explain the steps involved in the selling process.
- c. How can test marketing be helpful in launching new products?
- d. Describe the parameters used for measuring advertising effectiveness.

Q2. Write Short notes on any 2 out of 5

(Marks: 10)

- a. Characteristics of services
- b. Limitations of cyber marketing
- c. Promotion Budget
- d. Types of product diversification
- e. Matrix Organization

Q3. Attempt any 3 out of 5

(Marks: 30)

- a. Describe the bases that you will use in segmenting the market for the following products :
 1. I-pad (touch screen)
 2. Fruit juice
- b. What are the various stages in the Buyer's decision making process?
- c. The sales promotion manager of an established lower priced washing powder is planning the sales promotion programme for the next year. Suggest a suitable programme for his consideration.
- d. Explain various types of channels with suitable examples.
- e. Do you consider branding to be of identical importance in marketing (i) industrial products, (ii) consumer products and (iii) agricultural products? Give supportive arguments.

Q4. Case Study: Procter & Gamble Tries New Pricing Strategy

(Marks: 20)

Seven consumer goods firms, including Kraft, General Food, Quaker Oats Co., and Colgate-Palmolive are experimenting with pricing strategies that appear to achieve the same goals as everyday low pricing. But most of these firms deny they are initiating everyday low pricing strategies. Not to be confused with everyday low pricing by retailers like Wal-Mart Stores, the strategy used by manufacturers, eliminates the varying prices they offer retailers as a part of trade promotion deals. Procter & Gamble, however, did use everyday low pricing, when it reduced the listed prices on many of its best-selling brands.

The goal of Procter & Gamble's everyday low pricing strategy is to give better value to consumers who have suffered through a recession. But although the strategy is designed to give greater value to consumers, many retailers have openly protested. Vice President of corporate affairs by Big Y Foods said, "We are not happy with Pig's everyday low pricing programme. It takes away our flexibility as a retailer. Basically, P&G is saying we have one option - take it or leave it. We are therefore leaving it when we can."

Most warehouse clubs and mass merchandisers prefer to everyday low pricing. On the other hand, many supermarket chains, including Jewel Food Stores and Supermarket General's Path mark, have publicly or privately expressed dissatisfaction regarding Procter & Gamble's policy. Those retailers who operate with a "high-low" price with frequent specials are particularly upset.

Procter & Gamble has felt the pressure but says it will not back out. The firm believes that, the programme will benefit everyone - Procter & Gamble, retail stores, and consumers - because it results in lower operating costs and lower prices. In theory, the strategy frees trade promotion money for additional promotional spending directed toward consumers.

Procter & Gamble put the Tide and Cheer detergent brands under the everyday low pricing programme; the entire laundry detergent line is now under the plan.

Most other packaged goods marketers are watching Procter & Gamble and silently applauding its efforts. They also favour everyday low pricing as an alternative to expensive trade promotions, but do not have the resources to weather the potential backlash from retailers. Many companies are testing pricing programmes with different names but all designed for the same reason, to reduce trade promotion spending and increase promotion to the final consumer. Meanwhile, the entire industry is hoping that P&G is successful.

QUESTIONS: (10Marks each)

- a. Study the case and determine the significant issues in the case.
- b. Examine the pricing practice of P&G. Do you think it can spoil P&G's relation with retailers and harm the company in the long-run?

***** All the best *****