

II Semester M.B.A. (Day) Examination, July/August 2006

(Updated Scheme)

MANAGEMENT

2.4 : Marketing Management

Time : 3 Hours

Max. Marks : 75

SECTION – A

1. Answer any six of the following. Each question carries two marks. (6×2=12)
- What are the characteristics of 'marketing concept' ?
 - What is a 'transaction' ?
 - Distinguish customer from consumer.
 - Who is a 'franchisee' ?
 - What are the two dimensions of measuring advertising effectiveness ?
 - Give the meaning of 'kiosk marketing'.
 - What does 'Thomson rural market index' measure ?
 - Mention any two bases for segmenting business market.

SECTION – B

- Answer any four of the following. Each question carries five marks. (4×5=20)
- Distinguish mind share from market share.
 - How do you select target segment for mobile phone services ?
 - Is it possible to brand education services ? Explain.
 - Account for growing relevance of 'network marketing'.
 - Bring out the applications of marketing research in consumer durables (white goods).
 - What are the objectives of pricing policy of an organization ?

P.T.O.

SECTION - C

Answer any three of the following. Each question carries ten marks. (3×10=30)

8. Account for the various rural marketing strategies in India.
9. Explain the common errors in the positioning of a product.
10. Describe the steps in new product development process.
11. Explain different forms of 'direct marketing'.
12. Analyse the emerging trends in Indian public and private sector organizations.

SECTION - D

13. Read the following case and answer the questions given at the end. It carries thirteen marks. It is compulsory. (1×13=13)

The Vim Challenge

The new challenge for Vim bar of Hindustan Lever Limited (HLL) is to take its imposed variation further to smaller towns and villages.

CONSUMER NEEDS

The Indian housewife is hard working and family oriented. If you ask any Indian housewife to name the most distasteful chores, washing dishes is always among the top three. It's only natural. It's a task that involves sitting down amidst utensils and scrubbing them – most often with soda ash, sometimes with laundry powders, occasionally with scouring powders. And then having to clean the area that's been used and it has to be done after every meal – else what would the family eat out of ?

A situation ripe for a song-and-dance solution, the problem could be defined in another way: to get the consumer to switch from what she considered a no-cost solution to a product specifically aimed at that market. Traditional wash materials like ash cost nothing and with laundry detergents, the cost was already factored into her budget. The solution wasn't to sell the product; but what HLL defined as 'process relief'.

EARLIER EFFORTS

HLL realised that the most cost effective way of selling a synthetic detergent-based product is a bar, scouring powders in the market were bulky; had low active content, high packaging cost due to expensive polyfil and high transportation costs.

In spite of the bar being an ideal solution for both the company and the consumer, there were problems. Chief among them being the Indian housewife's aversion to an obviously convenient solution. Explains Sanjay Behl, Marketing Manager, "The Indian woman is all about guilt". Research revealed she'd rather spend on her family than be seen taking shortcuts in her duties. HLL was, however, convinced that an effective demonstration would convert her. A task made difficult by the fact that the targeted users spent little or no money on dishwashing agents. HLL kept the formulation cost low – the end consumer price being Rs. 6 for a 40 gm bar, "next to nothing", according to Behl. Buoyed by the process relief and an effective launch campaign, Vim bar gained volumes over the first four years.

However, the aura began to wash away for a variety of reasons. Consumer complaints began to filter in about the product being hard to use in colder parts of the country, especially in winter. While keeping things cheap was crucial for trial. HLL's "on the brink formulation", was difficult to maintain. Especially since local players had begun offering cheaper options. Since pricing was a weak point for HLL, it decided to go in for product improvement.

NEW EXERCISE

A large part of the upgrade involved making it different from a laundry bar. Changes included making the top softer, to allow for easy application of scrubbers and address the most common consumer complaint. The final formulation was one that lasted longer, performed better and had better sensorial. The second significant change was in the brand's communication: restricting product experience to a commercial wasn't good enough.

Enter the Vim Bar Challenge: A promotional scheme that offered consumers the chance to sample the product. If they weren't satisfied, HLL promised them a year's supply of their favourite washing powder. These encounters were filmed and converted into the brand's signature ad campaign. It was supported by the heaviest media spend ever on the brand. Money was diverted from the powder to increase and spends on Vim bar by 50 percent. HLL lowered costs by regionalising production, drastically reducing the cost of transporting ingredients.

After that, it was a question of sampling and more sampling. "We dreamt of every single urban housewife having at least one chance to use it", says Behl. The brand was cross-promoted with highly penetrated brands like Rin Supreme. Other promotions included distributing instruction leaflets and nylon scrubbers.

This aggressive market activation pushed the brand across the 1,00,000 tonne mark. It more than kept pace with market growth: "Whatever the market has gained, Vim bar has got", says Behl. With penetration between 15 to 25 percent, he expects the growth to continue. And this in the face of stiff competition. Since the bar's launch, Nirma has had two offerings in the segment and Henkel-Spic has launched as well.

THE CHALLENGE

HLL hopes to hit rural areas, which calls for a different communication strategy. They'll focus on vans, demonstrations, road shows, but the strategy will remain the same – inducing trial. As Behl remembers the Vim Bar Challenge, "Not a single consumer said she would not go with it".

QUESTIONS

- 1) Explain the reasons for the success of Vim bar.
 - 2) Suggest a detailed action plan for promoting Vim bar in rural areas.
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