



JP – 960

**II Semester M.B.A. (Day) Degree Examination, June 2008**  
**(Updated 2007-08 Scheme)**  
**MANAGEMENT**  
**2.5 : 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 concepts included in selling orientation to market place ?
  - What is 'Marketing Information System' ?
  - What is 'Value Chain' ?
  - Which are the levels in 'product hierarchy' ?
  - Give the meaning of 'Integrated marketing communication'.
  - What is 'Online marketing' ?
  - Mention any two existing distribution networks in rural areas of India.
  - Give any one difference between 'Data warehousing' and 'data mining'.

**SECTION – B**

Answer **any three** of the following. **Each** question carries **eight** marks. (3×8=24)

- What is the relevance of marketing function in an organization ?
- Explain the concept of 'Customer value'.
- 'Marketing is sensing and responding, but not making and selling'. Discuss.
- Bring out the essentials of relationship marketing.
- How do you segment the market for bicycles ?

P.T.O.



SECTION - C

Answer any two of the following. Each question carries twelve marks. (2×12=24)

7. Explain the various steps in the consumer behaviour with special reference to the purchase of motor cycles and mobile phones.
8. Analyse the changing consumption pattern of Indian consumers.
9. Describe the pros and cons of different bases for segmenting consumer market.

SECTION - D

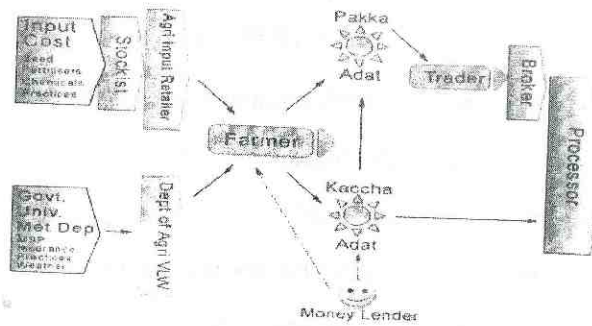
10. Read the following case and answer the questions given at the end. It is compulsory and carries fifteen marks. (1×15=15)

### ITC e - Choupal

**The Big Picture:**

ITC's Agri Business Division, one of India's largest exporters of agricultural commodities, has conceived e-Choupal as a more efficient supply chain aimed at delivering value to its customers around the world on a sustainable basis.

**The Value Chain - Farm to Factory Gate:**





'e-Choupal' also unshackles the potential of Indian farmer who has been trapped in a vicious cycle of low risk taking ability > low investment > low productivity > weak market orientation > low value addition > low margin > low risk taking ability. This made him and Indian agribusiness sector globally uncompetitive, despite rich & abundant natural resources. Such a market-led business model can enhance the competitiveness of Indian agriculture. Further, a growth in rural incomes will also unleash the latent demand for industrial goods so necessary for the continued growth of the Indian economy.

**The Model in Action:**

Appreciating the imperative of intermediaries in the Indian context, 'e-Choupal' leverages Information Technology to virtually cluster all the value chain participants. It makes use of the physical transmission capabilities of current intermediaries – aggregation, logistics, counter-party risk and bridge financing – while disintermediating them from the chain of information flow and market signals.

With a judicious blend of click & mortar capabilities, village internet kiosks managed by farmers – called *sanchalaks* – themselves, enable the agricultural community access ready information in their local language on the weather & market prices, disseminate knowledge on scientific farm practices & risk management, facilitate the sale of farm inputs and purchase farm produce from the farmers' doorsteps.

Real-time information and customised knowledge provided by 'e-Choupal' enhance the ability of farmers to take decisions and align their farm output with market demand and secure quality & productivity. The aggregation of the demand for farm inputs from individual farmers gives them access to high quality inputs from established and reputed manufacturers at fair prices. As a direct marketing channel, virtually linked to the 'mandi' system for price discovery, 'e-Choupal' eliminates wasteful intermediation and multiple handling. Thereby it significantly reduces transaction costs.

Here is an example:

Transaction Costs in Mandi Chain

Soybeans Example

		Rs per MT	
Farmer Incurs	Trolley Freight to Mandi	= 120	370
	Labour	= 50	
	Kacchha Adat	= 150	
	Handling Loss	= 50	
Processor Incurs	Commission to Agent	= 100	335
	Cost of Gunny Bags (net)	= 75	
	Freight to Factory	= 120	
	Handling at Mandi	= 40	
<b>Total Chain</b>			<b>705</b>

Transaction Costs in Choupal Chain

Soybeans Example

		Rs per MT	
Farmer Incurs	Trolley Freight to ITC Hub	= 120	120
Processor Incurs	Commission to Sanchalak	= 50	216
	Cost of Gunny Bags (net)	= 75	
	Storage & Handling at Hub	= 40	
	Cash Disbursement Costs	= 50	
<b>Total Chain</b>			<b>336</b>



While the farmers benefit through enhanced farm productivity and higher farm gate prices, ITC benefits from the lower net cost of procurement (despite offering better prices to the farmer) having eliminated costs in the supply chain that do not add value.

**The Status of Execution:**

Launched in June 2000, 'e-Choupal', has already become the largest initiative among all internet-based interventions in rural India. 'e-Choupal' services today reach out to over 4 million farmers growing a range of crops - soyabean, coffee, wheat, rice, pulses, shrimp - in over 38,500 villages through nearly 6500 kiosks across nine states (Madhya Pradesh, Haryana, Uttaranchal, Karnataka, Andhra Pradesh, Uttar Pradesh, Maharashtra, Rajasthan and Kerala).

Several alternative and innovative solutions - some of them expensive - are being deployed to overcome many of the challenges e.g. Power back-up through batteries charged by Solar panels, upgrading BSNL exchanges with RNS kits, installation of VSAT equipment, Mobile Choupals, local caching of static content on website, to stream in the dynamic content more efficiently, 24x7 helpdesk etc.

Going forward, the roadmap includes plans to integrate bulk storage, handling & transportation facilities to improve logistics efficiencies. This enthusiastic response from farmers has encouraged ITC to plan for the extension of the 'e-Choupal' initiative to altogether 15 states across India over the next few years. On the anvil are plans to channelise other services related to micro-credit, health and education through the same 'e-Choupal' infrastructure.

**Questions**

1. How do you consider e-Choupal as a rural marketing strategy considering the concept of rural marketing?
2. How does e-Choupal address the challenges and problems of rural marketing?
3. Why ITC has gone in for an initiative like e-Choupal?