

**K. J. SOMAIYA INSTITUTE OF MANAGEMENT STUDIES & RESEARCH**  
**Vidyavihar, Mumbai- 400077**

**Program: PGDMFS –1st year Tri- I 2018-20)**  
**Subject: Marketing Management – I**  
**(End Term Examination)**

**Maximum Marks: 50**  
**Duration: 3 Hours**

**Date: 19 September ‘2018**

**Instructions**

- 1. Question No. 1 is compulsory**
2. Attempt **ANY FOUR** from Question no. 2 to Question no. 6
3. Answer to each new Question to be started on a fresh page
4. Provide relevant examples wherever applicable

**QUESTION 1 Case Analysis**  
**(15 Marks)**

Nestle India's instant noodles brand Maggi has attained over 60 per cent market share and almost touched the pre-crisis level in value terms, said a top company official. However, volume-wise Maggi is still away from the pre-crisis period, when Nestle used to dominate the market with 75 per cent market share.

"We are little over 60 per cent (market share). In business terms, we are almost back to where we were (in terms of pre-crisis). In value terms, we are almost back there," said Nestle India Chairman and Managing Director Suresh Narayanan. He further said, "We still have some time to catch up that pre-crisis volume."

Presently, Maggi contributes around one-third of the total sales of the company. "Total contribution from the prepared foods (Maggi and Maggi franchise) is about 30 per cent," said Narayanan in a media roundtable here.

Nestle India had in 2017 crossed the Rs. 10,000-crore sales mark. Maggi was banned by Food Safety and Standards Authority of India (FSSAI) in June 2015 for five months for allegedly containing lead beyond permissible limits, forcing Nestle India to withdraw the product from the market.

Following legal battles, the popular noodles brand was back in the market in November 2015.

Keeping in line with changing consumer preference towards healthier products, Swiss food giant Nestle said it will cut salt content in its instant noodles Maggi by a further 10% in 12-18 months. Over the years, Nestle has reduced salt in Maggi by 33%. The instant noodles brand, which has remained the mainstay of Nestle's Indian portfolio,

contributed around 35% to the company's growth in 2017.

"This change is happening not only in the packaged food business but also across categories such as cosmetics," said Arvind Singhal, founder of retail consultancy Technopak. "There is a consumer backlash against products that are perceived to have higher content of sugar, salt and chemicals. There is a definite consumer shift towards products that have natural and Ayurvedic properties."

And Nestle isn't the only food company that has been talking about tweaking products — to not only satiate palates of Indian consumers' but also their newfound bias towards healthier products.

Global food and beverage giants Coke and PepsiCo were some of the first companies to jump on to the health bandwagon. While PepsiCo has chalked out a strategy to shift its business away from colas to premium food products, Coke has pledged to reduce sugar content across its portfolio. Even junk food companies have been proactive. Recently, multinational fast food chain KFC chose rice bran oil over palm oil to fry its products in India. Similarly, Gunjan Shah, VP of sales at Britannia, said there is increased demand for fortified food. "For instance, we have seen traction for bread that is fortified with vitamins."

With Good Food , Good Life , Nestle plans to walk the talk. Please advise Nestle.

Source:

[https://economictimes.indiatimes.com/articleshow/63092457.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](https://economictimes.indiatimes.com/articleshow/63092457.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

**Questions:**

- a) Conduct a SWOT analysis for Nestle using the information provided above and also considering any recent news or happenings that you may have heard about the company or from FSSAI or health and nutrition industry about trends in consumer food preferences. Please also analyze it in the context of new market realities.
- b) Based on the above information develop a new product idea with all the four Ps. Please map the new product idea with atleast one existing competition product on the scale of 1 to 5 (1 being very bad and 5 being very good) and justify your ratings for the new product idea that you have developed for Nestle.

**QUESTION 2**

**(10 Marks)**

Attempt **ANY ONE** from the following:

- a) Explain the concept of Product life cycle and diagrammatically show the same with strategies that you would adopt in different stages of product life cycle,
- b) Explain Cultural, Social and Personal factors that influence the consumers when they decide to purchase a mutual fund and please advise if the Indian market is ready to purchase mutual funds.



**QUESTION 3**

**(10 Marks)**

Chalk out the STP for **ANY TWO** of the following:

- a) New Fin-tech company that plans to enter India
- b) A new microfinance company in India
- c) Trading school in India

**QUESTION 4**

**(10**

**Marks)**

Explain the new product development process from idea generation to final product. Indicate the product score and the plan of action for this product idea. **ANY ONE** of the following:

<b>Product type A</b>	<b>Relative Weight</b>	<b>Product Score</b>	<b>Product Rating</b>
Unique or superior product	0.4	0.8	
High performance to cost ratio	0.3	0.6	
High Marketing Dollar support	0.2	0.7	
Lack of strong competition	0.5	0.2	
<b>Product score</b>			
<b>Product type B</b>			
Unique or superior product	0.5	0.3	
High performance to cost ratio	0.1	0.4	
High Marketing Dollar support	0.6	0.3	
Lack of strong competition	0.3	0.2	
<b>Product score</b>			

**Rating scale**

- .00-.30                      Poor
- .31-.60                      Fair
- .61-.85                      Good
- .86-.99                      Excellent

Minimum acceptability of product idea rating =.85:

**QUESTION 5**

**(5Marks)**

Explain the following **ANY ONE**

- a) Explain alternative approaches to branding with an example.
- b) Diagrammatically represent the points of parity and points of difference for Starbucks Brand Positioning Bull's eye .
- c) What are different variables on which brand positioning can be differentiated. Explain with examples
- d) State and explain the variables that are important to monitor competition. Develop a competition framework for a mutual fund brand.

**OR**

**QUESTION 6**

**( 5 Marks)**

Write Short notes on **ANY ONE**:

- a) Customer Life Time Value Management with an example.
- b) Marketing communication mix-key characteristics / platforms.
- c) Irregular demand state and associated marketing task.
- d) Behavioral segmentation framework breakdown.

**\*\*\*\*\* End of Paper\*\*\*\*\***