



ITM

(INSTITUTE FOR TECHNOLOGY & MANAGEMENT)

MUMBAI

PGDM & GLC - 2017-2019 BATCH

[COMMON PAPER]

MARKETING MANAGEMENT

[END TERM EXAMINATION OCT. 2017]

Duration: 2:30 Hrs.

Max. Marks: 60

Section - A

1. Case Analysis (Compulsory)

(15 Marks)

Coffee Mate: Stir-up passion

Coffee creamer, popularly known as whitener, is a milk and vegetable fat-based powder that is used for smoothing out coffee's bitter taste or strong aroma. Coffee-mate, a coffee creamer from Nestlé, is one of the few international brands in the whitener category in Malaysia. The category is dominated by F&N – an established Malaysian heritage brand; SBC – a local brand, and a few other private label brands competing on price. F&N also has the highest Top of Mind Awareness (TOMA), and although Coffee-mate has high awareness amongst whitener consumers it is still not part of their first consideration set.

Large families are heavy users of coffee whitener, and taste and brand affinity drives preference amongst such heavy users, whereas the younger generation is either developing a preference for black coffee with sugar and thereby moving away from whitener usage, or are continuing to use a whitener brand that they have grown up with. F&N tends to gain on this count because of its TOMA and Coffee-mate loses out on consideration. Although Coffee-mate was witnessing steady growth, it needed to attract new users to accelerate growth in the future.

Coffee-mate had the following target options:

- Attract consumers from condensed and/or fresh milk buyers
- Introduce Coffee-mate to young coffee drinkers

Company decided to make Coffee-mate relevant to young couples. It matched with the brand essence – my coffee's perfect mate, and the brand personality of being playful, flirtatious and imaginative. The aim was to forge an emotional relationship with the younger generation and get it into their consideration set. It made good business sense too, as young couples would stay with the brand for longer. Young Malay couples in their mid-20s were chosen as the communications target. Malays get married young and in the early years of married life are open to change and adopting new habits. To build an emotional bond with them meant Coffee-mate had to become an integral part of these young couple's lives. After careful consideration it was decided to focus efforts on the females, as they tend to make more effort in the couple's relationship to keep it thriving.

Insights on couples' relationships revealed that they begin with lots of romantic passion, but somewhere along the way the passion fades away as the daily chores take over.

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At this point, the relationship needs reigniting and stirring up to keep it fresh. Women understand this better than men and often plan pleasant surprises for their partner to enliven the original passion. So it was decided to leverage the secret of a perfect relationship: 'Keep finding out ways to make each other smile'.

As a strategic approach, Coffee-mate presented couple's original and passionate relationship as the focal point. This approach touched a chord with consumers and resonated with the brand essence. Hence the idea: 'Stir up passion'. This idea hinged around Coffee-mate stirring the lost passion and hidden emotions between young couples, making it an inseparable part of their lives. Most of them are working full-time or part-time and have access to the Internet; hence the web became the backbone of the campaign. This was supported by traditional media to drive traffic, and on-ground activation was leveraged to convert affinity into action.

Webisisodes (web-based shows) entitled Nota Cinta (Love Notes) were conceptualised as the lead communication. A Facebook fan page was then created to receive comments on the episodes. To create a viral effect, a contest was launched on the Facebook page where it was mandatory for participants to send a link to three of their friends. A Facebook application named 'Ku Untukmu' (Me and You) took the 'Stir up passion' concept even further. This application enabled couples to customise a song for their partner. The execution related it to Coffee-mate attributes and usage. 'Mobile Music Café' was a truck that travelled to 78 locations across Klang Valley. At each of the locations, an experienced team of baristas demonstrated how to make a cup of coffee just the way the audience liked it – with Coffee-mate. Radio was also leveraged to drive traffic to Mobile Café locations and create hype for the Facebook page.

Sales revenue: There was a 13% value growth as compared to a category growth of less than 5%
Sales volume: There was a 9% volume growth as compared to a category growth of approximately 5%.

With limited resources and a not-so strong market position, Coffee-mate needed to create relevance amongst Malay coffee drinkers. Highlight the effective segmentation, targeting, positioning strategy developed by the brand and success factors behind the same.

Section - B

2. Starbucks the shining example of an experience brand has been trying to create coffee moments in India through its range of Coffee, Tea, Tumblers, Food and coffee equipment. The different range of Starbucks coffee comprise of iced coffee, Latte Macchiato, Flat White, Cappuccino, Latte, Frapucino, Espresso and cold brew coffee. Tea varieties like iced tea, Tea lattes, Matcha tea, iced tea infusions. Tumblers like Starbucks tumbler, straight tumbler, design your own tumbler, curved tumbler. Food like muffins, croissant, sandwiches, yogurt fruits and spreads, Salad. Coffee equipment like Coffee press machine, coffee grinder, espresso Machine are the other products of Starbucks. Starbucks cup sizes are called Demi, short, tall, grande, venti and trenta.

- a) Design a product mix matrix of the above Starbucks portfolio? (5 marks)
- b) Explain the mix length, width, depth and consistency using the matrix with proper reasoning? (5 marks)

OR

2. In pursuit of a luxury brand, Mumbai-based automaker Mahindra & Mahindra Ltd has decided to develop and sell products under the Pininfarina brand, an Italian luxury design and engineering company that the Mahindra Group acquired in December 2015 for around \$185 million. Company declined to share details of the product, but a person familiar with Mahindra's plans said that the company may look at the electric vehicle space for the Italian brand. Mahindra makes electric vehicles such as e2o and e-Verito in collaboration with Mahindra Reva Electric Vehicles Pvt. Ltd.

It has decided to grow Pininfarina into a luxury brand by leveraging the Italian firm's legacy and association with the Ferraris and Maseratis of the world.

- a) Keeping the Ansoff's matrix in mind explain how has Mahindra and Mahindra reformulated it's Strategy and why? (5 marks)
- b) Also explain the customer perceived value (CPV) being created by M&M for this product. (5 marks)

Answer any 2 questions out of 3 from this section

(10x 2=20 marks)

3. Till few years back, Daikin was only making commercial ACs and chillers in India, and was importing all its residential AC units from Taiwan and Japan. In 2010, a huge consignment of residential ACs got stuck in customs and needed to be delivered urgently to its dealers. Daikin was in expansion mode, and could not afford to lose time. The moment the consignment was cleared, it was airlifted and transported to various locations in the country, spending a big amount on transportation. To avoid such situation in future, Daikin started procuring components locally, and finally by 2012 Daikin stopped all imports and started manufacturing residential ACs at the Neemrana plant on the Delhi- Jaipur road. Neemrana is also close to its component makers in the Rajasthan State Industrial Development and Investment Corporation (RIICO) industrial belt. Also, Delhi, one of Daikin's key markets, is just 120 km away. Except the compressor and the controller, everything else in Daikin ACs are made in India. This has helped in reducing cost by about 45 per cent. The company has also opened 100 exclusive Daikin stores, and there are a few more in the pipeline. The company has demarcated five acres of land in the plant facility for a training centre on soft skills and sales. For example, it is mandatory to pick up customer-care calls within 11 seconds.

- a) What is a Value chain? (5 marks)
- b) How has Daikin applied some of the components of the value chain effectively? Discuss. (5 marks)

4. ITC has stepped into dairy whitener market with its Sunfresh brand, its second offering in dairy business after it launched packaged ghee in October last year. ITC is going to face intense rivalry from Nestle and Amul, the two largest companies in the dairy whitener segment which together account for 85% of the market share. The company has launched Sunfresh in the North-east, the largest market for dairy whiteners valued at over 380 crore due to milk deficit in the region. Next on cards are West Bengal and Kerala, before the company takes the brand national.. ITC is also exploring ideas to launch new products in the dairy business such as ice-cream, butter, cheese, curd, milk-based drinks.

The question is that will ITC be able to grab market share from Amul's Amulya (38%) and Nestle's Everyday (48%), the way it has done in instant noodles and packaged snacks. Explain the Market challenger strategies.

5. Business software maker Zoho Corp has launched Zoho One, that bundles the company's suite of 38 cloud applications and 55 mobile apps together. In an aggressive bid to beat competition that it faces against giants, including Salesforce and Microsoft, in the enterprise software market. Zoho priced its product at \$30 per month per employee. For Indian users, it is priced at Rs 1,000 per month for an employee. The company believes that the launch of Zoho One, as a platform will allow companies to use all business software at a much lower price point, will bring on board at least 100 million new customers in the next five years.

What pricing strategy has Zoho adopted? Explain steps in setting a price.

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Section C

6. Write Short Notes on any three of the following with suitable examples

(5x3=15 marks)

- a) Holistic Marketing
- b) Horizontal Management System(HMS) and Vertical Management System(VMS)
- c) Porter's generic strategies.
- d) Steps in Research Process
- e) Internal Factors affecting Consumer Behavior

BEST OF LUCK !!