

Name:

Enrolment No:



UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Examination, December 2018

Course: Marketing Management

Programme: MBA LSCM

Course Code Mktg 7001

Instructions:

Semester I

Time 3 hours

Maximum Marks 100

SECTION A

S. No.		Marks	CO
Q 1	Good marketing is no accident, but a result of careful planning and..... a) execution b) planning c) research d) strategies	2	C 01
Q2	Marketing Management is a) managing the marketing process b) monitoring the profitability of company's products & services c) developing marketing strategies to take the company forward d) the art and science of choosing markets	2	C02
Q3	The demand for a product is..... when the price cut causes revenue to increase. a) Income elastic b) Price elastic c) Cross elastic d) Price inelastic	2	C01
Q4	Chimney Sweeps employs people to clean chimneys and fireplaces, what kind of marketing company it is? a) An Image b) A good act c) A Image d) A service	2	C02
Q5	Carrying the line of one manufacturer is known as a) Exclusive assortment b) Open bid c) Deep assortment d) Driveline	2	C01

Q6	Marketers often use the term to cover various groupings of customers a) market b) people c) buying power d) demographic segment	2	C02
Q7	Which of the following would be the best illustration of Culture a) A religion b) A group of friends c) your university d) your occupation	2	C01
Q8	The buying process starts when the customer recognizes..... a)product b) an advertisement c) a salesperson from earlier visit d) a problem or need	2	C01
Q9	The brand choice is heavenly influenced by reference group in which stage of PLC a)Introduction b)Growth c)Maturity d) Decline	2	C02
Q10	If the actual performance exceeds the expected performance of the product,the customer is a) dissatisfied b) neutral c) delighted d) satisfied	2	C02

SECTION B

Write Short Notes on the following(Answer all questions)

Q1	Wholesaling	5	C01
Q2	Latest trends in Advertising	5	C01
Q3	Explain the Concept of Product Mix	5	C01
Q4	Publicity	5	C04

SECTION-C
Answer any Two Questions(2x15=30 marks)

Q 1	Describe the new Indian consumer and how this consumer is shaping the market Opportunity	15	C02/ C03
Q2	Please explain the role of Advertising in Brand Building .	15	C02 C03
Q3	Describe the Various stages in Product life Cycle and its relation with BCG.	15	C02 C03

SECTION-D
Case Study (15x2=30) Analytical /Situational

	<p>The disposable nappy market in the UK is worth \$ 480 million per year. However, the Pampers marketing team faced threats to their traditional brand dominance from a new, impressive rival. Huggies challenged their hitherto unquestioned leadership. Huggies were perceived as the innovator in the market place because they were constantly creating new products. The new brand had also managed to develop close relationships with mothers using interactive marketing techniques. A less direct threat came from a growing independence among mothers, particularly first time ones. Their use of widely available information from diverse sources to make decisions challenged traditional purchase patterns and reduced brand loyalty. Direct marketing gave Pampers a chance to cut through the market place ‘noise’ and re-establish trust and loyalty with mothers, one-to-one.</p> <p>Market background</p> <p>The disposable nappy market is a highly lucrative one. There are approximately 750000 births in the UK each year and nappies are usually worn for three years. For Pampers this represents a relatively short customer lifetime.</p> <p>In 1991 Huggies’ arrival challenged Pampers’ traditional dominance of the disposable nappy market. By 1997 Huggies had gained 17 per cent of the market. This had almost doubled to 30 per cent by 2000. Huggies continued to take share through a combination of competitive pricing and product innovation. The benefits of Huggies were promoted aggressively using TV and their Mother and Baby Club. Growth pattern projections showed that Huggies would be the market leader by Autumn 2001. Focus groups reflected the growing strength of the Huggies brand. When mothers were interviewed many assumed that Huggies was the market leader and there was much discussion about Huggies’ latest news.</p> <p>Consumer research and trend analysis revealed two key trends affecting Pampers’ impact on the marketplace. The growing independence amongst UK mums in the way they make decisions and the traditional reliance on advice from parents and health professionals was being replaced by the most up-to-date information from friends, the Internet or print. The proliferation of</p>		
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information channels forced Pampers to explore a new approach to cut through the background noise to reach prospective customers.

One-to-one communication strategy

Pampers decided to introduce a one-to-one approach in addition to their traditional TV driven campaigns. New channels were appropriated and existing one enhanced. Pampers launched their one-to-one communication strategy in August 2001.

The mailings are targeted using data captured by Bounty Euro RSCG. Bounty work with midwives and hospitals to obtain unparalleled, almost total, coverage of all mothers-to-be at the three-month check stage and in hospital shortly after the birth. Bounty packs are delivered directly to the mother. The packs include incentives such as free samples and money off coupons.

Pampers decided to send a direct mail communication to mothers at eight key points in the mother and baby's life; three pre-birth and five post-birth. Research had revealed the importance of building a relationship with the mother prior to the birth. Mothers are most keen to research and absorb information during their pregnancy. The emotional moment at the first three month check-up is the initial point of contact.

Communications are designed to bring the baby's experiences of life alive for the mother. For example, one item of interest concerned the little known fact that babies develop favorite tastes as early as three months post-conception. A baby's swallow rate increases with varying levels of sugar in the amniotic fluid. The booklets are designed to be more contemporary than many other sources of information. The communications included collectable booklets written by top baby care experts, built around the theme of the 'senses' as they develop. The booklets contain a wealth of information touching on most key aspects of baby care and development. Pampers recognized that their credibility as an information provider on subjects other than nappies was somewhat doubtful. Advertising and information from non-competing relevant major brands, such as baby food and medicine, was included in the booklets. Two CD's were also sent to mothers-to-be. One CD gives an insight into how babies experience the world while still in the womb. A post-birth CD of baby massage music was also sent. Appropriate nappy samples and discount coupons to encourage first purchase were included as well.

Online communication benefits mothers

Forty per cent of mothers are now online so the Internet couldn't be ignored as an opportunity for interactive communication. These communications could be viewed at a time convenient for the mother and are personalized using data collected regarding the baby's age. A vast library of in-depth information can be delivered in this way, without being overwhelming. Pampers.com sees a spike in traffic in the early hours of the morning, circa 2 a.m., at the time when

phoning a friend for helpful advice is usually out of the question. Parents can opt-in to receive a monthly newsletter that updates them about the development of their baby.

Pampers.com is built around three areas covering the aspects of childhood development that are of most interest to parents: learning, playing and sharing. These areas include unique, interactive elements so that the parents can see the world through a baby's eyes. The areas are structured by age. The learning centre includes information from baby care experts around the world. The play centre provides ideas for developmental games. The sharing centre provides tips for parents divided by age and stage of development. All website information is verified by baby care experts to ensure that it is of a high standard. The depth, diversity and reliability of information available for parents has established the Pampers website as a channel of choice for this target market. Pampers has used the opportunity for personalization to encourage parents to register on the website. Pampers has used the opportunity for personalization to encourage parents to register on the website. Being able to find the information you want is critical for the success of any website, and never more so for parents with young children. Their free time is in short supply and they often need to find information quickly. Research had identified that parents only log onto the internet when they have a specific question that needs answering.

The iTV future


Trend analysis has identified it is likely that this emerging channel will become the preferred interactive device in the home. By 2001 more homes had interactive TV connections than the Internet, so this channel could not be ignored. Forrester research showed that Internet connections had reached a plateau as consumers have opted for interactive TV as an opportunity to extend brand leader communication. A channel cannot be ignored if this is where your customers are looking for information. Interactive TV was used as a bridge, combining the emotive strength and visual quality of traditional TV advertising with the depth and personalization available through the internet. Interactive TV offered the opportunity to develop consumer relationships over time, using TV e-mail to send profiled newsletters. The internet and iTV complimented each other as there was only an overlap among 20 percent of homes, and people use the services at different times of the day and in different ways.

Data was captured via a request that viewers register to receive a newsletter. The newsletter can be e-mailed to a TV or PC, or posted. Parents were offered the chance to see themselves and their babies on TV in the baby gallery or in the video area talking about baby development issues: 'real babies, real mums, real tips'. Consumers were also offered the opportunity to give feedback and visit a frequently asked question area.

Results

	<p>Latest qualitative consumer research showed that there has been a turnaround in the perception of the brand and the way in which mothers relate to Pampers. Market share has risen and a clear market leadership position has been established.</p> <p>AC Nielsen’s Top 100 Grocery Brands survey showed Pampers ranked 14th compared with rival Huggies at 34th. Consumers consistently give positive feedback, showing that the right messages are being communicated. Focus group research among parents with babies of different ages showed that the interactive TV experience being able to contrast opinions of experts and parents together. Feedback suggested that loyalty had improved towards the pampers brand. Loyalty was measured using frequency and depth of contact between Pampers and parents. The provision of free information using a choice of interactive media also provided positive feedback. Pampers’ interactive TV technology won best use of interactive TV in Marketing magazine’s 2001 Connection Awards.</p> <p>Read the case carefully and answer the following questions:</p>		
Q1	Why is relationship marketing effective in the market for nappies and other baby products?	15	CO2 CO3
Q2	What is the role of direct mail in relation to the other channels used in communicating with mothers? Do you think this role has changed since the rise of the Internet and interactive television	15	CO4 CO5

OPTION 2

Name: Enrolment No:			
UNIVERSITY OF PETROLEUM AND ENERGY STUDIES End Semester Examination, December 2018			
Course: Marketing Management Programme: MBA LSCM Course Code Mktg 2001 Instructions: Answer all questions		Semester: I Time 3 hours Max. Marks: 100	
SECTION A Answer all Questions (2x10=20)			
S. No.		Marks	CO
Q 1	Qs 1 The controlling variables a company puts together to satisfy a Target group is called the a) Marketing strategy b) Marketing mix c) Strategic Planning d) Marketing concept	2	C01 C02
Q 2	The Shopping product consumer classification would include such products such As..... a) Life Insurance, New products, b) Soft drink, bread, milk c) automobiles, homes, vacations d) gourmet dinners, expensive jewellery	2	
Q3	Major sources of new product ideas include a) Internal sources	2	C01 C02

	b)creative approaches using both method &madness c)watching &listening to customers d)All the above		
Q4	Common pricing mistakes include..... a)determining costs &only taking traditional margins b)failingt to revise process to capitalize on market changes c)setting price independently of the rest of the marketing mix d)All of the above	2	
Q5	Main benefit of Branding on consumers is..... a) they become efficient shoppers b) they have more product choices c) they get confused d) they like the new designs	2	C01 C02
Q6	The Marketing Objective of product life cycle is to..... a) harvest b) brand loyalty c) deletion d) differentiation	2	
Q7	New product development starts with..... a) idea screening b) concept development & testing c) idea generation d) marketing strategy development	2	
Q8	Anything that can be offered to market for attention,acquisition,use,or consumption that might satisfy a want or a need is called as..... a) idea b) product c) demand d) service	2	
Q9 Pricing is product driven,the company designs a good product,totals the expenses of making,sets a price that covers the costs plus a target profit. a) skimming b) cost based c) value based d) variables	2	C01 C02
Q10is the most basic cause of a persons wants and behavior. a) Social Class b) Personality	2	

	c) lifestyle d) culture		
SECTION B Answer all questions (5x4=20)			
Q 1	Market planning –Describe Stages of Market Planning	5	C01
Q2	Customer Satisfaction & customer Delight	5	C01
Q3	Product Differentiation	5	C05
Q4	Product Mix	5	C04
SECTION-C Answer any Two questions (2x15=30)			
Q 1	What are bases of market segmentation ?how would you segment the market for the following products a)Bisleri Water b)Bournville chocolates c) Tetra pak milk	15	C02 C03
Q2	Describe the relationship between Plc & Boston Matrix with examples.	15	C02 C03
Q3	Define Channels of distribution .Please illustrate differences in distribution pattern between consumer goods & industrial goods	15	C02 C03
SECTION D			
	Please Study the following and answer the 5 questions (5x6=30)		
	<u>CASE:</u> shell and customer service: one database for 20 million customers Interview by Peter olsthoorn with Ruud van Munster, european Loyalty and CRM Manager for shell ‘Using overly expensive IT-driven CRM projects, other companies paved the way for Shell,’ is one of the opening remarks made during an interview with Ruud van Munster, Shell’s European Loyalty and CRM Manager. The oil company has learned from its failures and has chosen not to implement CRM on a Europe-wide scale, but instead to take a step-by-step approach. A country-by-country basis		

Shell has elected to expand its CRM programme on a country-by-country basis and is currently (2004) active in nine out of seventeen targeted countries. Munster: 'We first want to prove that something works on a small scale before we invest in something huge. There are too many CRM failures in the world. There are already too many projects in which the IT focus is too strong. Companies stare at huge CRM systems with abundant possibilities for which they have no sound application. If you do not know how to use them to create customer and company value and just climb aboard the CRM train, you will not succeed.' According to van Munster, too many companies have also implemented a call centre without first formulating a proper business case. 'In our organisation IT follows and we only install a call centre if we are convinced it will improve sales. We spend as little as possible on operations. Besides, a European CRM system is not necessary in our organization since there are only a few customers that fill up their cars across the border and those that do are normally less brand loyal.'

Shell currently maintains its own Shell (Club) Smart programme in thirteen countries and a 'coalition programme' in four countries: Air Miles in the Netherlands, Happy Days in Belgium, Thrumf in Norway and Smiles in France. The fuel card that can be used to pay for the fuel can also be seen as a loyalty programme and is in use in the Scandinavian countries.

Shell has created a three-layered CRM organisation:

- A loyalty competency centre in Hungary with IT and CRM knowledge. Van Munster: 'Hungary is known for the quality of its IT people, in addition to being one of the most successful countries for the Shell loyalty programme.'
- A European team of CRM experts; each of the team members has strategic responsibility for a cluster of countries.
- The local loyalty and CRM groups in the countries, who implement the programmes and have succeeded in creating value.

Van Munster: 'Centralisation has absolutely paid off. It was here that we developed our standard building blocks that we can apply to the countries. A few years ago we needed one year per country to implement a programme; now we do it in three months.' If it is up to van Munster, CRM applications will be further simplified and standardised in 2004, making implementation easier for local CRM teams. 'Practical efficiency is the goal. Perhaps it will become possible at some point to produce a single European or even global catalogue instead of national versions, and the articles can be sourced at lower cost.'

Facts

Is this approach typical for a follower? No, if we ask van Munster. 'You have to find out what does and what does not work on a step-by-step basis. You have to remain pragmatic. We sell fuel and cannot innovate CRM theory.' At present, Shell has a database of 20 million customers in Europe. This database is filled country by country and is currently operational in seventeen countries. The relation and transaction data are known and it is possible to identify customers and send them correspondence or products. It is possible to look into the database to find out how active they are, how frequently they cash in their loyalty points, determine their fuel purchasing behaviour and evaluate the value that they represent. Van Munster likes facts: 'Not many consumers will admit that loyalty points influence their choice of a fuel brand, but practice has proven otherwise. I attach more value to information I get from the database than to the results obtained through traditional market research. There is a difference between what consumers say and what they actually do.'

Shell actions

Crucial within Shell is the accountability for a campaign. Control groups are used, for example, to show the value of a campaign. 'In France we noticed a significant difference in customer revenue. Campaigns pay off and add approximately 10 percentage points. We had campaigns with a 50 to 60 per cent response rate, which is extremely high. The road warriors in particular, the group that drives a lot and buys plenty of petrol, responds quite well. They love to reach the individual target we communicated to them.' The example here is England where key customers received eight to ten e-mails during the summer with the offer of increasing their loyalty points by buying additional litres of fuel. 'They saw it as a game and took on the challenge.' E-mail has become a favourite, although Shell will continue to send physical mailings

as well. 'In three hours' time you can invent and create an e-mail campaign; in a regular direct mail process this will take much longer. I do not want to abandon traditional direct mail, as it is part of the multichannel approach and complements the other channels, but the internet is gaining ground.'

Intranet

In England, the entire CRM operation, including the call centre, is outsourced to Carlson. Shell's competence centre, however, remains in charge and manages the relationship with Carlson. The future of outsourcing depends on several factors. 'In England, Shell has made good progress with CRM, the wages are high and there is a wide range of service providers. But taking on the challenge in-house also has its advantages as has been proven in Hungary, a country with 2.2 million cars and 2 million Smart customers in Shell's database. Smart customers can cash their points in at McDonald's and this makes the loyalty programme attractive for many. Success depends to a large extent on the efforts and spirit of the local organisation,' according to van Munster. Crucial to the organisation of CRM is the communication between the three layers and it is here that the web is useful. Shell has a European portal, an intranet, which functions

simultaneously as a knowledge base, a communication vehicle and the beginning of e-mail campaigns. Van Munster: 'Nearly everything we know about the 20 million customers may be traced on the intranet. Target groups in the seventeen countries and the success of campaigns are described in detail. If Turkey wants to copy a British campaign, they first read everything on the intranet and then get together for a face-to-face meeting to further develop the campaign. Each country has access to the available information. But only the local people have permission to access relationship data. 'This online tool is for us the basis for guiding CRM. You can do as much with it as you want. You can select customers for your campaign, based upon their life-time value or transaction profile and you can approach them whenever you want.'

Conclusion

The CRM targets differ per country and are defined using terms such as retention, reactivation and share of wallet. Van Munster: 'If we realise a retention rate of 68 per cent in the experimental group for the high value customers and 58 per cent in the control group, you can say that CRM is a success.'

Questions

- 1 What are key factors determining the success of Shell's CRM approach?
- 2 How would you formulate Shell's vision and strategy towards CRM?
- 3 Reconstruct Shell's CRM road map.
- 4 Formulate Shell's CRM business case(s).
- 5 How useful will a standardised global CRM approach be for Shell? Why?

Q1	What are key factors determining the success of Shell's CRM approach?	6	C02 C03
Q2	How would you formulate Shell's vision and strategy towards CRM?	6	C02 C03
Q3	Reconstruct Shell's CRM road map.	6	C04 C05
Q4	Formulate Shell's CRM business case	6	C04 C05
Q5	How useful will a standardised global CRM approach be for Shell? Why?	6	C04 C05