

AB-25113

Seat No. _____

M. B. A. - I (Sem. II) Examination

April / May – 2003

Marketing Management

Time : 2 Hours]

[Total Marks : 50

Instruction : All questions carry **equal** marks.

- 1 Discuss the following statement: "A company that is a market follower has no marketing strategy of its own."

[OR]

- 1 The decline stage of the product life cycle (PLC) has its own special challenges for marketers. Briefly define the five strategies that a marketer can use for rejuvenating a declining product. What determines which strategy should be implemented?

- 2 Explain the following terms in relation to marketing channels:
(a) channel functions and flows; (b) channel levels

[OR]

- 2 Explain how a marketer can classify a product according to durability and tangibility. What marketing strategies do these classifications call for? Provide examples from both the consumer market and the industrial market.

- 3 Suppose you are the brand manager for "Wild", an unscented deodorant shampoo aimed at youth. Sales of your product have been declining. Exploratory research suggests your brand is not price competitive. Outline a research plan that would provide you with the information you need to decide what to do. Explain why you selected certain methods and not other ones.

[OR]

- 3 You have established a new company to sell lawn and garden products nationwide. You see three distinct target audiences for your company's products. Those three audiences are hardware stores, plant nurseries, and landscaping companies. Which of the four basic sales force structures should you use? Why? Discuss the advantages and limitations of the structure that are most appropriate for your company?

- 4 What are the distinguishing characteristics of rural marketing vis-à-vis urban marketing? How will a marketer of a consumer good (select any one product category for your illustration) consider this in formulating the company's rural marketing strategy?

[OR]

- 4 Describe the four major drivers that underpin the new economy.
- 5 List the stages involved in the consumer buying decision process. Also, answer the following question: The information search in the buying decision process involves gathering information from a number of sources. Name the four different sources and provide examples of each that you as a consumer would use when buying a two-wheeler.

IORI

- 5 **Multiple Choice Questions: Statements (i) to (x) pertain to the caselet given below. Write the relevant ANSWERS ONLY in your answer sheet.**

Aspirin is so potent that many health professions contend that if it were invented today, it would be only available by prescription. In 1897, Felix Hoffman chemically concocted the first synthetic aspirin compound, known as acetylsalicylic acid. At the time he was working for the Bayer Company. In 1899, Bayer Aspirin was introduced. It was the first tablet ever to be marketed as a water-soluble pill. Fifty billion aspirins are consumed worldwide annually. A variety of painkillers line the store shelves today, but only aspirin is proven to have long-term cardiovascular and anticancer benefits. In spite of these positive aspects to the product, a concern that aspirin might contribute to Reye's syndrome in children, a disease that affects the brain and liver, has led to aspirin having an identity crisis. There is a generation of individuals who have grown up assuming other drugs have completely replaced aspirin. Ask someone for an aspirin these days, and you're likely to receive a Tylenol. Aspirin manufacturers are trying to educate people that simple aspirin can help keep them alive by using ads with headlines such as the following, "The taking of one aspirin daily may prevent heart attacks." While the nonaspirin pain relievers countered with the following headline, "Don't kill your babies by giving them aspirin!"

[The following statements, (i) to (x), refer to the caselet given above. One mark each]

- i. Consumers who do not see a Bayer aspirin ad, but do notice an ad for reruns of *Baywatch* when both are run during the same commercial break are experiencing selective:
- A. exposure
 - B. attention
 - C. distortion
 - D. interpretation
 - E. retention
- ii. Consumers who remember aspirin can irritate the stomach lining and forget that research experiencing has shown one aspirin daily can reduce the probability of a heart attack are selective:
- A. exposure
 - B. attention
 - C. distortion
 - D. interpretation
 - E. retention

- iii. In terms of the hierarchy of effects model, the aspirin industry ads need to create:
- A. product awareness and provide product knowledge
 - B. brand preference
 - C. a conviction that aspirin brands are superior to nonaspirin pain relievers
 - D. brand loyalty
 - E. both product and brand awareness
- iv. The headline of the ad for the nonaspirin pain reliever used a(n) _____ appeal.
- A. amoral
 - B. emotional
 - C. cognitive
 - D. social
 - E. rational
- v. The headline of the aspirin ad used a(n) _____ appeal.
- A. moral
 - B. emotional
 - C. cognitive
 - D. social
 - E. rational
- vi. Which of the following would be the most highly credible source for use in an advertising campaign for aspirin?
- A. a heart specialist with a charismatic personality
 - B. an actor who plays a doctor on a daytime soap opera
 - C. an elderly woman who has had a heart attack
 - D. someone highly recognizable, like Amitabh Bachchan
 - E. a race car driver who is driving a car sponsored by Bayer aspirin
- vii. Which promotional tool should aspirin manufacturers use if their goal is to boost sagging sales for the next quarter?
- A. advertising
 - B. direct marketing
 - C. sales promotion
 - D. public relations and publicity
 - E. personal selling
- viii. Which promotional tool should aspirin manufacturers use if their goal is to promote the benefits of aspirin in a way that seems to give them little or no control over the message content?
- A. advertising
 - B. direct marketing
 - C. sales promotion
 - D. public relations and publicity
 - E. personal selling
- ix. Aspirin is in the maturity stage of its product life cycle. What type of promotion is most effective for a product at this stage?
- A. advertising
 - B. direct marketing
 - C. sales promotion
 - D. public relations and publicity
 - E. personal selling

x. Bayer has decided to run broadcast ads in which it announces, "Bayer Loves Your Heart," and print ads that will contain coupons "for the heart." It will use point-of-purchase displays in drugstores that are decorated with bumper stickers that read, "Bayer Loves Your Heart," and offer trade allowances to drugstore owners. It will provide its sales force with research information on the benefits of aspirin, plus bumper stickers to give away. This campaign will begin with a press release showing medical evidence that aspirin is good for your heart. Bayer is planning to use:

- A. a market diversification strategy
 - B. an aggregated promotional mix
 - C. the communications mix model
 - D. the hierarchy of effects communications model
 - E. integrated marketing communications
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