

**JAIPURIA INSTITUTE OF MANAGEMENT, NOIDA**  
**PGDM / PGDM (M)/ PGDM (SM)**  
**SECOND TRIMESTER (Batch 2020-22)**  
**END TERM EXAMINATIONS, February 2021**

<b>Course Name</b>	<b>Marketing Management</b>	<b>Course Code</b>	<b>MKT 201</b>
<b>Max. Time</b>	<b>2 hours</b>	<b>Max. Marks</b>	<b>40</b>

**Instructions: All questions are compulsory**

1. Linc Pen and Plastics Ltd. is one of India's most trusted writing instrument manufacturers with a national and international presence in over 50 countries. They boast of a strong and extensive network in South East Asia, Middle East, USA, UK, Europe, South America, Africa, Russia and CIS countries. The organisation constantly endeavours to bring out new and innovative products and packaging and has an extensive and diverse range of products catering an assortment of ball pens, gel pens, retractable ball pens and stationery. Linc Pen & Plastics Ltd. is the exclusive importer and distributor of world famous brand Uni-ball, Mitsubishi Pencil Co. Japan.

Linc Pen and Plastics Limited announced the launch of Pentonic Covid-19 Killer, a finger-free touch device that aimed to keep users safe in cases of unavoidable physical contact in July 2020. Priced at Rs 150, Pentonic Covid-19 Killer is a pocket-sized, retractable, sterilising marker that can be used on surfaces while one is on the move, like elevator buttons, doorbells, card swipe machines, ATM buttons, vending machines, switches and innumerable other areas where physical contact might have otherwise been inevitable. Measuring 122mm in height and 20mm in width, it functions as an extension of one's index finger, as per Linc. According to the company, the 70% ethanol-based ink of the Pentonic Covid-19 Killer also sterilises the surface it touches. The marker-like design is meant to enable one-handed use. The tool is operated with a push button and comes with a replaceable ethanol based ink refill. Pentonic Covid-19 Killer will be available at retail stores, stationery shops and pharmaceutical chains across cities like Kolkata, Delhi, Gurgaon, Jaipur, Mumbai, Pune, Ahmedabad, Hyderabad, Chennai, Bangalore and Trivandrum starting next month (August). The device can also be purchased on e-commerce platforms like Amazon and Flipkart. (Source : <https://timesofindia.indiatimes.com/gadgets-news/linc-pens-announces-pocket-sized-finger-free-sterilising-device/articleshow/77265710.cms>)

**Q1) Discuss product mix concept, in the light of given information about Linc pen. (8 marks)**

2. Molekule, a US-based science and technology company, launched its India operations on Wednesday by introducing its air purifiers on Amazon. The San Francisco-based company, co-founded by non-resident Indian Dr Yogi Goswami, manufactures scientifically advanced air purifiers using PECO (photo-electro-chemical oxidation) technology, which he developed. Goswami is a professor and expert in solar technology. PECO technology is capable of destroying a wider range of airborne pollutants including bacteria, viruses, chemicals when compared to traditional air purifiers. India has been struggling with poor air quality for several years now. "Our commitment to India is a long-term commitment. This is a technology that is

needed in India given the poor air quality, and none of the existing technologies in the market can tackle it," says Goswami, co-founder and chief scientist at Molekule. Molekule was co-founded by Goswami with his daughter Jaya Rao who is CEO and son, Dilip Goswami, who is the president and chief technology officer. The company is looking at selling roughly 30,000 units over the course of the next year. "This is on top of a multi-thousand-dollar marketing investment we are making. We are also evaluating bringing manufacturing to India to help bring the price point down of the products and provide more access to more products," added Goswami. The company had raised \$58 million in its Series C round in February to grow and expand its business into newer markets. In India, Molekule will initially retail its Air Mini device at a price of ₹37,999 while replacement filters will be available for ₹4,449.

(Source:<https://www.livemint.com/companies/news/molekule-expands-to-india-launches-air-purifiers-based-on-new-technology-11601463470444.html>)

**Q2)** In the above article regarding Molekule Air Purifiers, develop appropriate promotion mix strategies to promote this product in NCR region. **(8 marks)**

3. Few days back Starbucks raised their beverage prices by an average of 1% across the USA, a move that represented the company's first significant price increase in 18 months. Consumers failed to notice because the price change didn't affect 'Grande' or 'Venti' (medium and large) brewed coffees, but anyone who purchases tall size (small) brews, saw as much as a 10 cent increase. The company's third quarter net income rose 25% to \$418 million from \$333 million a year earlier. This income may also have some contribution of dip in the prices of green coffee. Starbucks claims the price increase is due to rising labor and non-coffee commodity costs, but with the significantly lower coffee costs already improving their profit margins, it seems unlikely this justification is the true reason for the hike in prices. In addition, the price hike was applied to less than a third of their beverages and only targets certain regions. Implementing such a specific and minor price increase when the bottom line is already in great shape might seem like a greedy tactic. It is also said that, it only takes a 1% increase in prices to raise profits by an average of 11%.

Starbucks uses research and customer analysis to formulate targeted price increases that capture the greatest amount consumers are willing to pay without driving them off. While that may seem obvious to anyone involved in running a business, it's rare to see companies using a value based pricing approach to effectively uncover the maximum amount a customer base is willing to spend on their products.

**Q3)** Evaluate and discuss the pricing adjustment strategy of Starbucks from company and consumer's point of view. **(8 marks)**

4. Read the case, "LUSH launches savvy new self-timing soap in collaboration with DELIVEROO to help fight covid-19".

(<https://www.springwise.com/innovation/retail/lush-30-second-soap-coronavirus>)

The World Health Organization (WHO) has stated that washing your hands is one of the best ways to prevent the spread of Covid-19 and could slow the pandemic by up to 24%. As part of their guidelines to effectively combat Coronavirus infections, the WHO recommends that people wash their hands with soap and water for 20-30 seconds. However, research carried out by health authorities has found that people fail to wash their hands effectively 97% of the time – unknowingly leaving them at risk of infection. Lush, the creator of 100% vegetarian, fresh handmade cosmetics and soaps, in collaboration with Deliveroo created a simple solution. It launched a '30-Second Soap' - a self-timing soap designed to completely dissolve after 30 seconds of vigorous use - precisely how long you need to wash to make your hands clean and

safe. A simple to use, one-wash soap that takes the guesswork out of how long you should wash your hands - providing users with a practical, educational demonstration of proper handwashing timings to keep both themselves and others safe. Working closely with Deliveroo - the food delivery company with the UAE's largest fleet of delivery drivers - Lush will distribute 30-Second Soap for free across Dubai. Their hope is that the tiny soaps will build customer confidence, and help to associate the brand with hygiene.

Stores are a very important part of the Lush brand because they offer customers a chance to try the products before they buy. With fewer people able to venture into physical stores due to pandemic restrictions, this mechanism would serve well for providing a way to get sample product (tiny soap) into the customers' hands for trial and use. The small soaps are being promoted in partnership with the ad agency 'and us®'. Mr. Fadi Yaish, Founder and Chief Creative Officer of 'and us®', describes how the thinking behind the product included changing people's hygiene habits for the long-term. "Most people just assume that means they need to wash their hands for a little longer than usual, but 'usual' for most people generally means five seconds or less. With the 30-Second Soap, Lush and Deliveroo give their customers a one-off demonstration of how long 30 seconds actually feels like in practice, hopefully influencing their hand cleansing rituals in the future."

By teaming up with Deliveroo, Lush is able to get its soap into more hands. In the UAE, three out of four people order a takeaway or have food delivered at least once a week. The partnership provides a way for Lush to reach potential customers in their own homes, and for Deliveroo to have its brand associated with safety. With the growth of the food delivery industry, this type of partnership is likely to become more common. Lush and Deliveroo plan to expand the provision of the soaps to other locations.

**Q4a)** Identify the buying factors that would most likely influence consumers' choice to purchase this 'self-timing soap' from Lush.

**(8 Marks)**

**Q4b)** Assuming yourself to be a distribution manager of marketers of Lush brand in India, illustrate elements of channel design decisions that you would take into consideration for maximizing effectiveness of the value delivery network.

**(8 Marks)**