

JAIPURIA INSTITUTE OF MANAGEMENT, NOIDA

PGDM; PGDM (SM); PGDM (M)

FIRST TRIMESTER (Batch 2017-19)

Re-Appeal **END TERM EXAMINATIONS, SEPTEMBER 2017**

SET – 2

Course Name	Marketing Management I	Course Code	MKT102
Max. Time	2 hours	Max. Marks	40

INSTRUCTIONS: *Answer the following questions.*

1) The oldest water purifier brand is gearing up to protect its legacy and market share. Marzin Shroff, CEO of the Shapoorji Pallonji group-owned Eureka Forbes says the company is engaging closely with the brand as customers change and competition grows in the market place. "The face of the customer is changing and we need to ask: What are they really looking at?" he says. The company has spent over Rs. 100 crore on the brand; on technological upgrades, on the complete product offering, on service and communication. **On the basis of the Consumer Behaviour Model, analyse the factors (with proper justification) that will influence customers' purchase behaviour of a product such as a water purifier.** (9 Marks)

2) A leading American Fast Food Company, which specializes in sandwiches and coffee, wishes to enter the Indian market. They have engaged you as a consultant to scan the marketing environment for them. **What do you understand by environmental scanning? What factors would you consider while scanning the environment in this context?** (3 + 5= 8 Marks)

3) A company wishes to launch a new toothpaste which can effectively prevent cavities and tooth decay. However, the toothpaste market is highly crowded with multiple brands. **Assume that you are the marketing head and prepare the marketing communication strategy for the company.** (8 Marks)

4) **Read the following Case and answer the question at the end:**

For a sector seeing double-digit revenue growth over recent years, FY16 marked a reversal. At Rs 2 lakh crore, the sector grew by six PERCENT; it was nearly double this in FY11-15. Revenue growth for the September was only 4.3% over the year-ago period. What is hurting the telecom sector, riding high on strong voice growth and robust subscriber addition, is intense competition over the past 18 months.

What has aggravated this is the entry of Reliance Jio (RJio), offering free voice and data services, from September 2016. Despite reduction in the number of operators in the recent mergers of Reliance Communications-Aircel and Airtel acquiring spectrum from Videocon, competitive intensity remains high. These market share of different telecom service providers has changed, as

RJio has adopted aggressive pricing (including an extended free trial period) to grab share. Since its September 2016 launch, the company has added 50 million subscribers — that's 500,000 a day.

The number, say analysts at Motilal Oswal Securities, is a third of the wireless broadband subscriber base and about 30% of Idea and RCom-Aircel's overall subscriber base combined. The RJio launch has had a twin impact. It has forced incumbent operators to price their products aggressively to retain subscribers. Bharti, Vodafone and Idea recently launched unlimited voice plans, bundled with data. Bharti's move, according to HSBC analysts, highlights that it is willing to re-adjust to a lower Arpu (average revenue per user) to retain subscribers. Also, with this move, it is attempting to drive utilisation of fourth-generation technology (4G) services.

The free voice offer from RJio would also mean that growth voice revenues, bread and butter for the major players, would remain flat due to the slowing volumes. Morgan Stanley analysts estimate voice volume growth to decline in FY19, with data cannibalizing voice. This will impact the operating performance of the key players. While Bharti and Idea are expected to report a fall in operating profit over the next few quarters, Idea could post losses at the net level if it were to bridge the gap by half between RJio's data offering and its own rates. RJio's rates are estimated to be 40% lower than current levels.

- a. What are the factors that should always be considered while making pricing decision?
- b. What pricing strategies can be used by the different telecom companies to improve their revenues?

(8 + 7= 15 Marks)