

**Online PGDM**

**First Year, Trimester II, Feb 2024**

**Course Name: Advance Marketing Orientation**

**Max Marks : 70**

**Course Code: 2102**

**Max Time : 2 hrs**

*Instructions for Students : Kindly read the questions carefully.*

*Read the case carefully and be precise and specific while answering the questions*

*Answers supported by examples are appreciated*

*In case study, suggest solutions based on information given in case only*

**Section A : Objective Type Questions**

**Max. Marks-20**

1. What is the primary purpose of market segmentation?
  - A) To increase product prices
  - B) To identify and target specific customer groups
  - C) To reduce product variety
  - D) To eliminate competition
  - E) To decrease market share
  
2. Demographic segmentation involves dividing the market based on:
  - A) Psychographic characteristics
  - B) Age, gender, income, and other demographic factors
  - C) Geographic location
  - D) Product usage
  - E) Brand loyalty
  
3. Which type of segmentation is based on customers' attitudes, interests, and lifestyles?
  - A) Demographic segmentation
  - B) Behavioral segmentation
  - C) Psychographic segmentation
  - D) Geographic segmentation
  - E) Occasion segmentation
  
4. Market segmentation helps businesses to:
  - A) Increase production costs
  - B) Reach a broader audience
  - C) Ignore customer preferences
  - D) Customize marketing strategies

- E) Decrease product quality
5. Which of the following elements is a part of the marketing mix?
    - A) Customer service
    - B) Legal regulations
    - C) Competition analysis
    - D) Distribution channels
    - E) Economic trends
  6. The marketing mix consists of the 4Ps, which include all except:
    - A) Product
    - B) Place
    - C) Promotion
    - D) People
    - E) Price
  7. What does the "promotion" element in the marketing mix involve?
    - A) Product design
    - B) Advertising, sales promotion, and personal selling
    - C) Distribution channels
    - D) Setting the product price
    - E) Customer feedback
  8. Which component of the marketing mix is related to creating, communicating, and delivering value to customers?
    - A) Product
    - B) Place
    - C) Price
    - D) Promotion
    - E) People
  9. What does the distribution channel in marketing refer to?
    - A) Setting the product price
    - B) The path a product takes from producer to consumer
    - C) Advertising and promotion
    - D) Customer segmentation
    - E) Product features
  10. Which of the following is a direct distribution channel?
    - A) Retailers
    - B) Wholesalers
    - C) Agents
    - D) Manufacturer to consumer
    - E) Brokers
  11. What is the purpose of intermediaries in the distribution channel?
    - A) To increase product prices
    - B) To reduce the number of distribution channels
    - C) To facilitate the movement of products from producers to consumers
    - D) To eliminate competition
    - E) To decrease market share

12. Which distribution strategy involves using multiple intermediaries in the channel?
- A) Exclusive distribution
  - B) Intensive distribution
  - C) Selective distribution
  - D) Direct distribution
  - E) Indirect distribution
13. What is the definition of "skimming pricing"?
- A) Setting a low initial price for a new product
  - B) Setting a high initial price for a new product and gradually lowering it
  - C) Setting prices based on competitor pricing
  - D) Offering discounts to bulk purchasers
  - E) Adjusting prices based on customer demand
14. Which pricing strategy involves setting a price to cover costs and provide a reasonable profit margin?
- A) Skimming pricing
  - B) Penetration pricing
  - C) Cost-plus pricing
  - D) Psychological pricing
  - E) Dynamic pricing
15. What is the primary objective of penetration pricing?
- A) Maximizing short-term profits
  - B) Quickly capturing a large market share with a low initial price
  - C) Matching competitor prices
  - D) Setting prices based on customer perceptions
  - E) Achieving premium pricing
16. Dynamic pricing involves:
- A) Setting the same price for all customers
  - B) Adjusting prices based on changing market conditions, demand, and other factors
  - C) Offering discounts to loyal customers
  - D) Setting prices based on production costs
  - E) Ignoring competitor pricing
17. Which of the following is an example of behavioral segmentation?
- A) Age and gender
  - B) Income and occupation
  - C) Loyal customers and first-time buyers
  - D) Urban and rural areas
  - E) Psychographic characteristics
18. What is the role of the "Place" element in the marketing mix?
- A) Determining the product's features
  - B) Deciding the appropriate distribution channels
  - C) Setting the product price
  - D) Creating advertising campaigns
  - E) Analyzing competitor behavior

19. In a channel of distribution, what is the function of a wholesaler?
- A) Selling directly to end consumers
  - B) Facilitating communication between producers and consumers
  - C) Providing financing to consumers
  - D) Purchasing large quantities of goods from manufacturers
  - E) Conducting market research
20. What does "value-based pricing" involve?
- A) Setting prices based on production costs
  - B) Adjusting prices based on competitor pricing
  - C) Offering discounts to clear excess inventory
  - D) Determining prices based on the perceived value to the customer
  - E) Setting a high initial price for a new product and gradually lowering it

**Section B : Subjective Type Questions (Short Answer Questions)**

Max. Marks-10

Q1: Discuss the relevance of Marketing Mix for success of marketers? (05 Marks)

Q2: How technology will change the way, marketing is done in times to come. Substantiate your answer with examples? (05 Marks)

**Section C : Subjective Type Questions (Long Answer Questions)**

Max.Marks-40

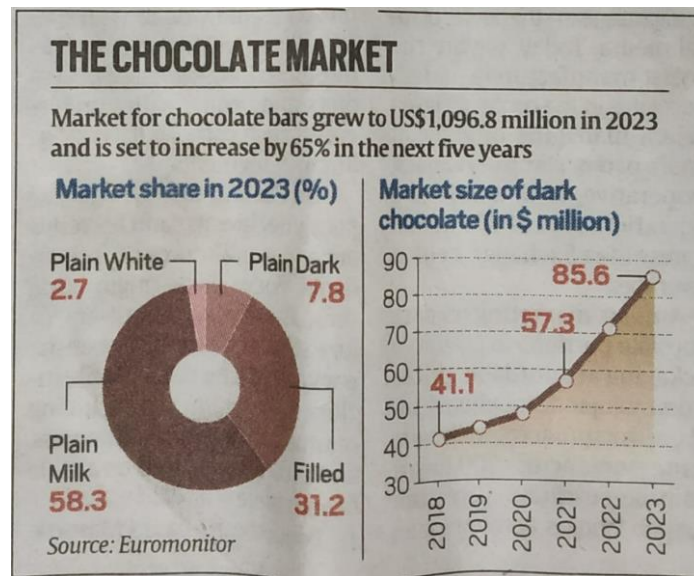
Read the following case and answer the given questions

**The Darker the Bitter! Oops, Better**

Chocolates have an interesting journey in India. From consumption on very selective occasions to becoming a daily dessert partner, the journey was no less than a roller coaster ride. The climatic conditions in India was always a challenge for chocolate manufacturers especially in hot scorching months. Sometimes it were the worms, which lead to sudden brakes in their journey. Marketers had to juggle between various challenges as they were trying to strike the balance between taste, tamper-proof packaging to investment at retailers point to ensure that the consumer gets the product in right quality and form as desired.

Tough journeys often lead to beautiful destinations, applies so aptly to chocolate market in India. The market of chocolate bars reached to US\$ 1096.8 million in 2023 and is set to increase by another 65% in next 5 years.

In recent past, Indian market has seen most action on seemingly small segment, which is of Dark chocolates. Dark chocolates have shown impressive growth and are poised to become stars for chocolate industry. In last 5 years market of dark chocolates have almost doubled to reach to US\$ 85.6 Mn. The picture below exhibits the break-up of chocolate market in India. With 58.3% share the plain milk chocolate leads the pack, followed by filled category with 31.2% share.



Dark chocolate market is growing at a rate of 16% annually as compared to 11% of plain milk chocolate. It is interesting to see emergence of lot of Indian manufacturers in dark chocolate market. While other categories are dominated by international giants like Nestle, Hershey's, Mondelez etc. AMUL, ITC's Fabelle, Chokola and Mason etc spearhead dark chocolate revolution in India. Amul in particular is most widely present with their 17 dark variants. Nestle is represented by dark Kit-Kat. Mondelez's Cadbury has only 5 variants.

Consumption of dark chocolate is marred by lot of apprehensions, some common one include:

- a) **Bitter Taste:** Dark chocolates often have high cocoa quantity leading to bitter taste. Overcoming this hurdle is a big challenge and often consumer takes time to get used to taste or acquire this taste.
- b) **Premium Pricing:** Dark chocolates are often pricey which often acts as big deterrent in success of dark chocolates.
- c) **Packaging –** plays a very critical role in chocolates. There is a long way to go to come up with better, flexible packaging options that encourages the consumers to embark on this taste odyssey.
- d) **India's sweet tooth culture:** In India festivities are marked with sweetness. Bitter dark chocolates are often a misfit in the Indian cultural diaspora.
- e) **Misconceptions about Health Benefits:** Some consumers may have misconceptions or exaggerated expectations about the health benefits of dark chocolate. While it does have antioxidants and other potential health benefits, excessive consumption may not necessarily lead to improved health outcomes.
- f) **Allergies and Sensitivities:** Individuals with allergies, especially to ingredients like nuts or dairy, may be cautious about consuming dark chocolate due to potential cross-contamination or the presence of allergens in certain products.

- g) Largely for dark chocolates, the companies target teenagers, youth and adults until age of 45. Mostly consumed by females.
- h) Gifting contributes to close to half of the dark chocolate demand in India.



Indian markets are price sensitive and response to pricing strategies of dark chocolates are no different. Nestlé's Kit Kat dark costs INR 120/- for 41.5 gm. Hershey's only offers a single dark chocolate in India called Bars Dark with 49% cocoa content at INR 60 for 40 gm. Dark chocolates may have cocoa ranging from 50 to 90% thus making it an acquired taste for consumers. The prices usually go up with increase in cocoa content. Mondelez's Cadbury has 5 options in dark chocolate bars as part of its Bournville range, it does not disclose the cocoa content in any of them except for Rich Cocoa with 70 percent cocoa content. The price is INR 99 for 80 gm and differentiation of 100% sourcing from sustainable cocoa.

Amul offers 17 different types of dark chocolates differentiated by flavor, cocoa content and cocoa beans. Amul's classic dark chocolate comes in 4 variants with cocoa ranging from 55% to 99%. Amul also has experimented on flavors like Mocha, orange etc. They have 08 variants of single origin dark chocolate bars sourced from countries like Venezuela, Columbia, Ivory Coast and Madagascar.



Amul entered market with a price point of INR 100 for 150 grams and today they are the largest manufacturers of dark chocolates in country. They are marketing it in premium packaging with affordable prices. In more than 200 cities, they are also present on airport lounges and other exclusive spaces. They are trying to connect to youth who is trying to balance diet and is a

fitness enthusiast, individuals who seek energy and anti-oxidants, or people who are on dietary restrictions like low sugar or keto diets etc. Pondicheery based Mason and Co has been making and targeting educated, working urban with dual income for last one decade.

Dark chocolate requires a lot of education in its strategy. Consumers needs to understand why it tastes different, why it costs high, what it costs and may be how to savor and relish it. Dark chocolates are more suited for diabetics as well as they contain much less sugar as compared to milk chocolate. The company currently has 14 variants of dark chocolate with cocoa varying between 49% to 85%.

A new company is planning to venture into Dark Chocolate market. They have done lot of analysis and convinced with the business proposition associated with it. However they are seemingly bothered by certain questions which include the segment to be targeted, how to encourage customers to acquire the taste, how packaging can be done to establish a connect with target segment, how education can be imparted etc etc.

Based on information above, kindly help the company in launching a new brand and strengthening Brand Equity?

Q1: What should be some critical points, which should be kept in mind to ensure brand success in this market? **(10 Marks)**

Q2: What should be the characteristic features of target segment for Dark Chocolate, which the company should target? **(10 Marks)**

Q3: Help the company in creating a brand for this market? Also, suggest strategies for to ensure success? **(20 Marks)**

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