JAIPURIA INSTITUTE OF MANAGEMENT

JAIPURIA INSTITUTE OF MANAGEMENT, NOIDA

PGDM / PGDM (M) / PGDM (SM)

FIFTH TRIMESTER (Batch 2024-26)

END TERM EXAMINATIONS, JANUARY 2026

SET-2

Course Name	Product & Category Management	Course Code	20157
Max. Time	**2 hours**	Max. Marks	**40 MM**

INSTRUCTIONS: All questions are compulsory

Q.1.

Case Study:

Kellogg's Indian Experience: A Failed Launch

In April 1995, Kellogg India Ltd. (Kellogg) received unsettling reports of a gradual drop in sales from its distributors in Mumbai. There was a 25% decline in countrywide sales since March1995, the month Kellogg products had been made available nationally. Kellogg was the wholly-owned Indian subsidiary of the Kellogg Company based in Battle Creek, Michigan. Kellogg Company was the world's leading producer of cereals and convenience foods, including cookies, crackers, cereal bars, frozen waffles, meat alternatives, piecrusts, and ice cream cones. Founded in 1906, Kellogg Company had manufacturing facilities in 19 countries and marketed its products in more than 160 countries. The company's turnover in 1999-00 was $ 7 billion. Kellogg Company had set up its 30th manufacturing facility in India, with a total investment of $ 30 million. The Indian market held great significance for the Kellogg Company because its US sales were stagnating and only regular price increases had helped boost the revenues in the 1990s.

Launched in September 1994, Kellogg's initial offerings in India included cornflakes, wheat flakes and Basmati rice flakes. Despite offering good quality products and being supported by the technical, managerial and financial resources of its parent, Kellogg's products failed in the Indian market. Even a high-profile launch backed by hectic media activity failed to make an impact in the marketplace. Meanwhile, negative media coverage regarding the products increased, as more and more consumers were reportedly rejecting the taste. There were complaints that the products were not available in many cities. According to analysts, out of every 100 packets sold, only two were being bought by regular customers, with the rest 98 being first-time buyers. Converting these experimenters into regular buyers had become a major problem for the company.

By September, 1995, sales had virtually stagnated. Marketing experts pointed out various mistakes that Kellogg had committed and it was being increasingly felt that the company would find it extremely difficult to sustain itself in the Indian market.

The Mistakes

Kellogg realized that it was going to be tough to get the Indian consumers to accept its products. Kellogg banked heavily on the quality of its crispy flakes. But pouring hot milk on the flakes made them soggy. Indians always boiled their milk unlike in the West and consumed it warm or lukewarm. They also liked to add sugar to their milk. or lukewarm.

They also liked to add sugar to their milk. When Kellogg flakes were put in hot milk, they became soggy and did not taste good. If one tried having it with cold milk, it was not sweet enough because the sugar did not dissolve easily in cold milk. The rice and wheat versions did not do well. In fact, some consumers even referred to the rice flakes as rice corn flakes. In early 1996, defending the company's products, Managing Director Avronsart said, "True, some people will not like the way it tastes in hot milk. And not all consumers will want to have it with cold milk. But over a period, we expect consumer habits to change. Kellogg is a past master at the art, having fought - and won - against croissant-and-coffee in France, biscuits in Italy and noodles in Korea."

(a) Considering the above case, while developing product strategy how you would have done customer analysis and competitor analysis. Elaborate. (10 Marks)

(b) What is width, depth and consistency in the product mix? Indicate the reason why manufacturers consider it necessary to change their product mix time to time. Justify with Examples. (10 Marks)

Q.2.

Case study 2:
The New Coke story in a nutshell:

In 1985, Coca-Cola completely withdrew their flagship product from the market and replaced it with a "new" Coke in the US and some international markets. This product is often referred to as "New Coke", but the intention of the packaging was to indicate that Coke was new. The product was developed and launched after years of R&D and taste testing and focus groups with consumers. The new flavor outperformed both traditional Coke and Pepsi in market research taste tests. However, within a few days of traditional Coke being withdrawn and replaced by "new" Coke, there was a backlash from consumers and the media, and their brand image was damaged. Many consumers saw Coke as a cultural icon and were angry that it was no longer available. Primarily due to media and consumer lobby group pressure, within 80 days Coke reintroduced "Coke Classic" and offered two Coke variations along with "new" Coke. Today they no longer offer "new" Coke in the US market.

The "Traditional" Cola Marketing Environment:

The Coca-Cola product was the traditional market leader in the cola category. They had achieved success through a strategy of outsourcing manufacturing and logistics to licensed bottlers, strong retailer relationships, and building a very strong brand.

(a) Considering the above case, what were the steps you would have considered as a product manager before launching New Coke; so that this situation could be avoided. Discuss in detail. (10 Marks)

(b) Explain the difference between -

I) Line Extension and Brand Extension with Examples (3 Marks)
II) Product Manager and Category Manager (4 Marks)
III) Slightly New Products & Really New Products with Examples (3 Marks)