JAIPURIA INSTITUTE OF MANAGEMENT
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JAIPURIA INSTITUTE OF MANAGEMENT, NOIDA

PGDM (G/S/M) 2016-18 BATCH, TRIMESTER- I

END TERM EXAM SEPTEMBER, 2016

SUBJECT: Marketing Management (MKT 102)

Time : 2 Hours **Max. Marks: 40**

Note : All questions are compulsory.

Section A

Q1. Adidas has recently launched a unique footwear initiative - 'Odds' catering to the needs of para-athletes. The initiative emerged from a simple idea of giving para-athletes, primarily blade runners, a pair of the same side footwear they need, instead of a generic pair. The product idea is to offer two left and two right shoes for the para-athletes instead of one left and one right shoe. It is a unique pair of the same, 2 lefts or 2 rights put together for these athletes. The ad fluidly narrates Major D.P Singh's story, a Kargil veteran who lost his leg, but not his determination to start walking again. The film talks about his journey as India's first blade-runner, and one of the first Indians to run a marathon with an artificial limb. Isn't it being odd for a man to run when he can't even walk and accomplishing feats which are difficult for most even with two feet? He has evened out the odds.

Discuss the segmentation, targeting and positioning of 'Odds'. (8 marks)

2. Describe the environmental forces that affect the company's ability to serve its customers. (8 marks)

3. AAWAZ, a non-profit organization, is promoting a donation drive titled "Taarey Zameen Par" in which an appeal is made to donate old clothes, toys, books to underprivileged kids. Design an IMC campaign for the same. (8 marks)

Section B

Case Study (15 marks)

Read the following case and answer the questions given at the end.

Red Bull, founded in 1984, is the most powerful Austrian brand in the world, and is credited with creating the energy drinks category. The organization built its market share by securing unusual distribution outlets and piggybacking on established distributors. As the drink caught on, the organization began taking a narrow approach to distribution. The organization built a network of student sales representatives, each with contacts with small distributors, insisting that they sell only

Red Bull, then set up warehouses and hired students to load up delivery vans and deliver the product. These start up distributors focused their entire energy on getting Red Bull fully stocked in stores with prominent shelf placement.

The sales team visited key on-premise accounts such as new or hot clubs and trendy bars. When owners began buying a few cases, they would receive a Red Bull branded cooler and other POP items. The organization adopted on-premise accounts(vs retailers) first, giving the product lots of visibility and providing fertile ground for new drink trends. These young emerging distributors also found it faster to deal with individual accounts, not big chains and their authorization process. These tactics soon developed into more than a guerilla strategy building buzz at clubs. Sales team started to open off-premise accounts at convenience stores near colleges, gyms, health food stores and super markets. The mission was to find out where the target market(men and women aged 16-29) hung out and what interested them, and then to get the message out to the right clubs and the right events.

The success of this early distribution strategy is evident today, with more than 3.906 bn cans of Red Bull sold in over 160 countries, generating 3.323bn euros in turnover in 2009. However, soon Red Bull outgrew these tactics. Today, Red Bull's distribution strategy is very different with its logistics and distribution plan fitting its enormous expansion strategy. The organization has created a supply chain strategy that blends logistics and transportation with the need for flexibility and expansion. The effort included new approaches towards transportation and top warehousing, and to how those two wings of logistics fit in together.

In India, Red Bull and the Mumbai based Rahul Narang Group have had a sales and distribution tie up since 2000. Over the years, the responsibilities got tweaked but now their strained relationship is on the verge of snapping entirely.

According to beverage industry observers, the parting of ways are largely a case of aspirational mismatch between the two, which has been fomenting for some time. Ever since Red Bull set up its base with a wholly owned subsidiary – Red Bull India Private Limited – in 2008, it became clear that the autonomy of the Indian Partner would get curbed. Over time, Red Bull put in place its own leadership team to oversee key accounts, ground sales, and distribution operations of the Narang Group. Logistics, warehousing were also partially split while the finance and marketing functions came under the direct supervision of the global energy drinks company. Prior to 2008, Narang Group was importing and selling Red Bull themselves.

Despite its global scale and size, Red Bull has a smaller operation here but it is growing at 30% year on year. It is currently estimated to be an Rs.1.6 to 1.7 bn brand in India and it controls close to 75% to 80% of the Rs. 2.5bn energy drinks market. Its rivals would include Coca Cola's Burn, Zinga, local brands like Clud 9 and a clutch of regional brands. Currently Red Bull reaches to around 21,000 outlets and the target is to triple that in the next 15 months.

1. Evaluate Red Bull's India market entry strategy using the product-market expansion grid. (8 marks)

2. Why do you think the early on-premise distribution strategy was attractive to Red Bull? (8 marks)