

JAIPURIA INSTITUTE OF MANAGEMENT, NOIDA

PGDM / PGDM (M) / PGDM (SM)

SECOND TRIMESTER (Batch 2019-21)

END TERM EXAMINATIONS, DECEMBER 2019

Set-I

Course Name	Marketing Management	Course Code	MKT201
Max. Time	2 hours	Max. Marks	40 MM

INSTRUCTIONS:

All questions are compulsory.

Q1. Kellogg's is the leading producer in the cereal food industry, globally. It was formed in the year 1906 in Battle Creek, Michigan. It has history of providing healthy breakfast for more than 100 years. Kellogg's entered Indian market in 1995 and has invested over 150 crores. It is famous for its flagship brand Kellogg's Corn Flakes which come in varieties like Chocolate, honey, muesli, oats. With the acceptability of Kellogg's brand, the company, launched a new sub-brand Kellogg's Special K, which consisted of cereals, bars and snacks. This brand came as low-fat breakfast option. The brand also engaged the actress Lara Dutta as its brand Ambassador.

- i. Discuss the bases (with proper reasoning) on which the Cereal Foods can be segmented. Identify with proper justification the basis of segmentation used by the Kellogg's for Kellogg's special K. (5)
- ii. Analyze the positioning strategy used by Kellogg's for Special K? (3)

Q2. As a product manager of personal care products in a large company for a new line of cosmetics targeted to pre-teen girls, develop a marketing strategy explaining the product-mix strategy and multi-channel strategy given the target market. (10)

Q3. Varun is invited by his friend for a get together. He was very impressed with his friend's new motor bike of 180cc and now he feels the need of the same. Elaborate his decision making process? (8)

Q4. Please go through the case 'Maharaja of Munch' given below and answer the questions that appear at the end:

When it comes to describing the 15-year-old brand Kurkure, the Rs. 1,000-crore snack brand of PepsiCo India, Geetu Verma says, "The birth of Kurkure was part necessity, part serendipity." The Executive Director (food and refreshments) at Hindustan Unilever, Verma had strategised the brands launch in 1999. The need was to carve out a space as a competitor to namkeen and capture the market faster than potato chips. Initially the team's challenge was to differentiate the product in a market where potato chips at Rs 300/kg were also a significant premium product to the namkeens, the traditional Indian salty snack, at Rs 100/kg. Kurkure did stunningly well in the market. Kurkure commands 60 per cent of the market share in the so-called bridge segment of snacks. Unlike potato chips or namkeens, Kurkure offered a different and compelling taste experience thanks to the different technology used to make it. It was a new experience for India and PepsiCo India managed to offer a compelling taste at a competitive price. "We had the same mix as a 200gm bag of namkeen for Rs 20 but we delivered a bag size that was almost 1.7 times bigger," says Verma. While a local snack of same quantity was of the same price, potato wafers were almost double the size at the price. Instead of a purely corn-based product, the

team came up with a spicy flavoured Masala Munch made of lentils, rice and corn. "We were not sure if people would take to the new brand and so we had called it Lehar Kurkure," says Deepika Warriar, Vice President (Marketing), PepsiCo India. Lehar, the Indian partner's brand name, was added to Kurkure for access to local taste and cues. The team's concerns were justified as it was angling for a space between the traditional salty snack and the more western potato wafer. The company called it the 'bridge' category and Kurkure, the 'finger snack'. Today, the company commands about 60 per cent market share in the 'bridge' category, which is worth Rs 1,950 crore. The total market for salty snacks in India is worth Rs 13,000 crore and traditional snacks account for Rs 5,200 crore. The puffed snack market too is valued at Rs 1,950 crore. The potato chips/wafer market is worth Rs 3,900 crore where Uncle Chips and PepsiCo's Lays are market leaders.

Though Kurkure created a new space in the market, the larger challenge for the company was to get the customers hooked to its unusual shape and crunchy texture. "In fact the brand name Kurkure was the outcome of a group discussion in which consumers sampled the brand and repeatedly said that it was nice and 'kurkura' (crunchy)," says Dr T.S.R Murali, Head of R&D, PepsiCo India. The first objective was to start consumer trials. "We stuck to the consumer feedbacks and used the advertising line Kya Karen Control Nahi Hota," says Warriar. However, advertising was not the only strategy that the company relied on. While consumer trials were on, the sales team also launched an Orange Parade. "I remember being in Chandigarh, which was one of our first launch markets," says an industry veteran. All the three-wheelers carrying the product were painted orange. Almost the entire sales team had assembled in Chandigarh to ensure 100 per cent coverage of outlets in 10 days. Its success led to it being repeated in other regions too. "It was perhaps one of our fastest market placements ever. We knew in the first 30 days itself that there was no looking back," says a former PepsiCo India employee. The brand created a new space in the market and succeeded in winning the hearts of customers. The company was relying on communication and also pushing the boundaries of marketing innovations. "They were the first in the segment to start selling ladis (string of packs) that we could hang out in our stores," says a shopkeeper. He lauded the company for providing racks outside the shops to display the brand. After the product was established in the market, the phase II plans took off. There was a need to make Kurkure a central part of the tea-time. The company by then had clearly delineated between Lays and Kurkure brands. "We decided early on that it had to be part of the tea-time. It was this irrepressible, loud, desi brand that was affordable. Lays appealed to the youth, was Western in its taste cues and an impulsive out-of-home snack," says Warriar. As part of this, in 2005, the company roped in actor Juhi Chawla as a celebrity brand ambassador. The brand also kept pace with the flavour of the season - teleserials. The tagline 'Kahani Mein Kurkure' was launched where Chawla spoofed the character of Tulsi in the Kyunki Saas Bhi Kabhi Bahu Thi soap and the brand humorously wedged itself into the mainstream. The 'Kya Family Hai' campaign tried to capture the dysfunctional family that came together at tea-time.

- Q4a.** Given the data in the case, comment on the identification of 'Value-Gap' by the company. Assess the major factors that influenced the company's pricing decision. (7)
- Q4b.** Appraise the marketing communication objectives of the company. Which promotion mix tools PepsiCo used as a part of its integrated marketing communication strategy. (7)