

Name:

Enrolment No:



**UNIVERSITY OF PETROLEUM AND ENERGY STUDIES**

**End Semester Examination, December 2019**

**Course: Marketing Management**  
**Program: BBA (AO) & BBA (LM)**  
**Course code: MKTG2001**

**Semester: III**  
**Time: 03 Hours**  
**Max. Marks: 100**

**Instructions:**

Section A: Attempt ALL.

Section B: Attempt ALL.

Section C: Attempt Any THREE.

Section D: Attempt the case.

**SECTION A**  
**(20 Marks)**

**CO : 1, 2**

1	Find the correct sequence in the Consumer decision process which involves following stages – A. Need recognition, B. Purchase decision, C. Information search, D. Post purchase decision  i. C, B, D, A ii. B, D, A, C iii. D, A, C, B iv. A, C, B, D	2
2	The difference between goods and services is –  i. Goods are intangible, services are tangible ii. Goods are inventoried, services are preserved iii. Goods and services have no difference iv. Goods can be touched, services are felt	2
3	When the company has its goods sold in as many retail outlets as possible, the distribution is called  i. Selective ii. Exclusive iii. Open iv. Intensive	2
4	Identify true and false statement – A. Incorrectly positioned product helps the brand B. Brands last for a longer period in market  i. A-true, B-false ii. A-false, B-true iii. A-true, B-true	2

	iv. A-false, B-false	
5	<p>Labeling, packaging are associated with the following P of Marketing Mix</p> <ul style="list-style-type: none"> <li>i. Price</li> <li>ii. Product</li> <li>iii. Place</li> <li>iv. Promotion</li> </ul>	<b>2</b>
6	<p>Identify the correct statements – A. In Product concept, focus is on innovating and improving products B. In Selling concept, consumers are persuaded to buy products C. In Production concept, quality of product is considered as essential D. In Societal concept, overall well-being of society is considered to be important</p> <ul style="list-style-type: none"> <li>i. A, B, C</li> <li>ii. B, C, D</li> <li>iii. C, D, A</li> <li>iv. D, A, B</li> </ul>	<b>2</b>
7	<p>This method is specifically used for increasing the short term sale of the goods.</p> <ul style="list-style-type: none"> <li>i. Advertising</li> <li>ii. Sales Promotion</li> <li>iii. Publicity</li> <li>iv. Public Relations</li> </ul>	<b>2</b>
8	<p>Advertising is a part of following function</p> <ul style="list-style-type: none"> <li>i. Distribution</li> <li>ii. Selling</li> <li>iii. Promotion</li> <li>iv. Pricing</li> </ul>	<b>2</b>
9	<p>The most traditional method used in direct marketing is</p> <ul style="list-style-type: none"> <li>i. Catalogue marketing</li> <li>ii. Direct mail</li> <li>iii. Online marketing</li> <li>iv. Viral marketing</li> </ul>	<b>2</b>
10	<p>The process of dividing the potential market into sub-markets with common needs and features is called –</p> <ul style="list-style-type: none"> <li>i. Target marketing</li> <li>ii. Positioning</li> <li>iii. Segmentation</li> <li>iv. All of the above</li> </ul>	<b>2</b>

**SECTION B**  
**(20 Marks)**

**CO : 1, 2**

1	Role of social media in marketing	4
2	Benefits of Personal Selling	4
3	Impact of Marketing Environment on industries	4
4	Services vs products	4
5	Responsibilities of retailers	4
<b>SECTION-C</b> <b>(30 Marks)</b>  <b>CO : 2, 3, 4</b>		
1	“Success or failure of several consumer products in Indian Market in the recent past was directly related to Pricing Decision.” Comment. Explain nature and importance of Pricing Decisions with suitable illustrations from Indian Consumer Market.	10
2	Personal Selling and Advertising are the two major vehicles of communication for marketing the products. Discuss with suitable examples.	10
3	“Channel intermediaries are essential for effective distribution of a product”. Discuss.	10
4	What are the factors, which you would consider in developing successfully a new product and its commercialization? Explain with the help of suitable examples.	10
<b>SECTION-D</b> <b>(30 Marks)</b>  <b>CO : 4, 5</b>		
	<b>Vora And Company</b>  <b>Understand the Concept of Marketing Mix</b>  <p>In December 1963, M.C. Vora, proprietor of Vora and Company manufacturers of Blossom Quick-Cooking Oats located at Lucknow, sought counsel from the Small Industries Service Institute at Lucknow regarding steps that might be taken to increase the sales of his company. The company had been organized in 1959, had started to sell its product nationally in 1961, but by December 1963 had failed to attain a profitable volume of sales.</p> <p>Mr. Vora’s family had been in the group business for several generations. In 1959, some four years after the Government of India had stopped the importation of packaged cereals, Mr. Vora and his family decided to enter the business of processing and selling a product like Quaker brand of quick-cooking rolled oats, a product of the Quaker Oats Company of the United States. For some years, before the Government’s embargo, this product had been imported into India by the firm of Muller and Phipps, which acted as sole selling agents. The firm had advertised the product in many Indian cities and</p>	<b>30</b>

reportedly had attained at least a moderate volume of sales, particularly in South India, in the states of Kerala and Madras.

In 1956, shortly after the embargo on Quaker oats, the Ganesh Flour Mills of Delhi started to develop and market a quick cooking white oats under the trademark Champion. After some three years of experimental marketing in nearby areas, Ganesh Mills extended its distribution nationally, devoting a moderate amount to advertising in city markets throughout India.

The management of Vora and Company developed the machinery and the method of processing its product on a trial and error basis. The first product offered was not deemed satisfactory by the management and was withdrawn from the market. Not until 1961 was the company satisfied with the product's quality and with its processing equipment, which, when perfected, could produce on a one shift basis 500 cases a month, each case consisting of 36 tins of 550 grams each. White oats of finest quality were imported from Australia under Government license, since India grown oats of required characteristics were not available. The perfected product was submitted to test among consumers and was rated by them as equal to or better than the competing product. The management had made application for permission to use the mark of the Indian Standards Institution and learned that the product and its processing measured up to required standards. Mr. Vora anticipated early arrival of the papers, which would permit the company to place the I.S.I certification mark on its packages and to refer to the mark in company advertising and selling. He looked upon the I.S.I certification mark as a valuable aid towards building a reputation among the trade and consumers as to the quality and purity of the product. The competitive product Champion bore the I.S.I certification mark on its packages.

When entering the business Mr. Vora had no definite data regarding the volume of sales that had been obtained by Muller and Phipps for Quaker Oats before the embargo, nor did he know the sales figures for Champion Oats. He did know that oatmeal porridge was the leading hot breakfast cereal in the United States and some European countries. He had been informed that the cost of the imported product had restricted its sale in India, to families with high medium to high income. Moreover, he found that its use had gained wider acceptance in South India than in other parts of the country. From his discussion with agents Mr. Vora listed demand for quick cooked oats in order of quantitative importance by regions as follows:

1. Kerala
2. Mysore
3. Madras
4. Bombay
5. Calcutta
6. Northern region comprised of Delhi, UP & Rajasthan.

Apart from the high nutritive value of oatmeal porridge, its taste when eaten with milk and sugar or with butter or syrup was liked by many people. The quick cooking oats had appeal to many housewives because they had to be boiled for only four to five minutes to be ready to serve, whereas the older variety, rolled oats required about thirty minutes of cooking. Moreover, since the housewife had to exercise care to prevent the porridge from sticking to the pan and scorching, either by stirring frequently or cooking over a low fire, or by cooking in a double boiler, the long cooking type was less appealing than the new quick cooking type. The quick-cooking type was made possible by pre-cooking in manufacture after the oat grain had been split and rolled.

### **Packaging and Trade Mark**

Vora and Company adopted a round heavy tin package like that which was being used for Champion Quick-cooking Oats, which, in turn, was presumably patterned after the package in which Quaker Oats had been imported. The management had adopted the trademark Blossom. The label was printed directly on the tin. A bright green background had the brand name in large red type at the top of the can. Directly below this was an illustration of several sheaves of oats and a smiling girl. Beneath the left half of the illustration in large white type was the phrase White Oats with the word White over the word Oats. The phrase quick cooking in smaller type was to the right of the white oats lettering.

The competing tin of Champion oats carried the smiling face of a young boy.

The Blossom tin contained 550 grams of oats, the quantity contained in what was thought to be the largest selling package of Champion Oats, although Ganesh Mills also marketed a tin containing 750 grams. Quaker Oats had been sold in a 500-gram tin.

The case in which the product was delivered to retailers contained 36 tins. The Champion case also contained 36 tins.

### **Distribution Channels and Terms for Sale**

To secure distribution of its products Vora and Company appointed agents, who generally were selling non-competing food products, with exclusive regional rights. For instance, for the State of Punjab, U.P., Rajasthan, Jammu and Kashmir and for the Delhi territory the management appointed messers. R.C. Ramanathan, New Delhi as exclusive agents for sale of the products to retailers. This firm also handled the products of a large and well-known firm of packaged food manufacturers.



that the agents for this product received 7½ per cent off list as commission and the trade got a discount of 7½ per cent from the list. Champion reportedly sold its larger size tins at a list price of Rs. 108.00 for a case of 36 tins. These agents bought and carried stocks of Champion Oats in their godowns for delivery to retailers.

### Sales

Sales for Blossom Oats in the two years following improvement of the processing had been irregular and had averaged far below plant capacity. For the six-month period, June-November end, 1963, sales averaged only 83 cases per month.

### Costs

Mr. Vora gave the following facts regarding his costs per case as determined from the accounting data of the June-November period referred to above:

Direct Costs per case of 36 tins of 550 gr. each

Material	Rs. 24.12
Packing tins	Rs. 21.60
Other packing materials, wooden case waterproof paper, box strapping pads	Rs. 4.00
Direct Labour <sup>1</sup>	Rs. 5.40
Railway Freight	Rs. 4.80

### Overhead Costs

Monthly overhead costs were stated to be as follows

Per month	Rs
Rent	165.00
Electricity and Water	50.00
Coal	50.00
Depreciation on Plant @5% (Rs. One lakh investment	500.00
Interest on working capital	250.00

**1,015.00**

*1. Mr. Vora's monthly wage bill was Rs. 900.00 but the work force was used at least half the time of another project on which Mr. Vora was engaged. Considering the irregularity of production, the labour cost given is probably as compared with what it would be if the plant were operating at or near capacity.*

When this overhead was allocated against the 500 case sales of the period, the overhead costs came to Rs.12.18 per case.

In the above figures, Mr. Vora did not include any salary for himself

### **Advertising**

From the start of the national distribution the selling agents had urged Mr. Vora to advertise Blossom Oats. For some months, he undertook such advertising in the major cities in which he had sales representation. After spending some Rs. 4,000 without any apparent sales response to justify such expenditure, he ceased his advertising.

While Mr. Vora had suffered considerable losses since the launching of his enterprise, he was still anxious to make a success of it and was willing to put more money into the venture if suggested changes for his marketing gave promise of bringing profitable sales.

Should Mr. Vora continue in this business? What are the major problems faced by Vora and Company? What should be Mr. Vora's strategy with respect to major elements of marketing mix, i.e., product, price, promotion, and distribution?