

(7 pages)

MAY 2014

**P/ID 77606/PBE1G/
PBEXF**

Time : Three hours

Maximum : 100 marks

PART A — (5 × 6 = 30 marks)

Answer any FIVE questions.

1. Marketing is much more than selling – Comment.
2. Explain how changes in demographic environment affect marketing decisions.
3. How does the competitive environment affect business?
4. Explain the factors affecting pricing of product.
5. What are the components of e-marketing mix?
6. You are the advertising manager of an organization producing refined oil. Which media will you choose to advertise your product and why?
7. What are the reasons for evolution of consumerism?
8. What are the stages in market research process?

PART B — (5 × 10 = 50 marks)

Answer any FIVE questions.

9. Marketing management has become one of the important factors in achieving customer satisfaction. As a successful marketer, understanding the marketing management philosophies is an essential path to create excellent relationship with customers. With relevant examples, explain all five marketing management philosophies.
10. Discuss the role of 4Ps in formulating marketing strategies in the following situations.
 - (a) Water purifier
 - (b) Small sized car prized at Rs. 2.00 lacs.
11. Discuss the significance of segmentation, targeting and positioning in a company's marketing strategy.
12. Discuss in brief the various pricing strategies used by marketers. Suggest suitable pricing strategy for
 - (a) Software
 - (b) 100 cc motor cycle
 - (c) Luxury car
 - (d) Laptop.

2 **P/ID 77606/PBE1G/
PBEXF**

13. Explain the factors determining the choice of a suitable channel of distribution.
14. Why does the marketing mix change as the product moves through its life cycle? How would you expect the mix to change for an innovative home exercise kit as it moves through the product life cycle?
15. Discuss the commonly used methods of sales control.
16. Describe the steps involved in the organisational buying decision process.

PART C — (1 × 20 = 20 marks)

(Compulsory)

Natraj Speciality Company

17. Natraj Speciality Company, located in Bangalore, Karnataka, manufactured a line of ball point pens, micro-tip pens, and all types of markers. In the past five years, it had added a line of stationery. Natraj products were sold to stationery and office supply wholesalers and retailers, as well as to department stores, variety stores and supermarkets. A field sales force of eighty-two persons operated out of five zonal sales offices (East, West, Central, North and South zones). Natraj management believed that a critical factor in the company's sales success was the coordination of its national advertising and the activities of Natraj salespeople and dealers.

3 **P/ID 77606/PBE1G/
PBEXF**

The sales promotion programme was the responsibility of the sales promotion manager, Jatin Banerjee, and his staff, in conjunction with the sales planning committee at Natraj headquarters in Bangalore. The sales planning committee consisted of the managers of merchandising, advertising and marketing research. The sales promotion plan, for both new and existing products, described objectives; roles of salespersons and dealers; anticipated sales; the national, local and trade advertising; and point of purchase displays, deals, premiums and contest offers.

With the approval of the sale promotion plan by the sales planning committee and the sales promotion manager, Jatin Banerjee, the sales promotion department prepared sales promotion kits for the Natraj sales staff. The kit included advertising proofs, product samples, illustrations of the point-of-purchase displays, samples of premiums offered, and a description of the special deal of contest featured in the promotion. The sales promotion department prepared a timetable for each promotion plan, showing the date when each advertisement appeared in various media. The timetable was distributed to the sales force and dealers to enable them to time their sales and advertising to coincide with the national advertising, thereby achieving full impact from the advertising.

4 **P/ID 77606/PBE1G/
PBEXF
[P.T.O.]**

When the sales promotion plan was approved by headquarters, it was presented to Natraj sales personnel at meetings in each of the six district sales offices. The sales promotion manager and the field sales promotion manager, who reported to the former and whose job was to work with Natraj salespeople and dealers on sales promotion projects, made the presentation. Following the meetings, the field sales promotion manager trained the salespeople in proper presentation of the promotion and called on key dealers to enlist their support.

The sales promotion, programme used with a recent new product was typical of Natraj's efforts. In addition to the objectives and timetable the sales promotion program included

- (a) Selling tools for Natraj sales people - circular letters describing the promotion, a visual presentation portfolio for making promotion presentations, product samples, reprints of consumer advertisements
- (b) Selling tools for Natraj dealers -presentation kits for selling the new products to consumers, mail circulars to send to consumers, mailing folders for use by dealers, sample folders, and a considerable amount of prize money for dealers sales personnel and

5 **P/ID 77606/PBE1G/
PBEXF**

- (c) Advertising support to Natraj dealers - advertising in national media and sample folders to be sent to consumers who responded to a coupon offer.

The sales promotion programs were presented each week in the district offices in late November and December. When the schedule was announced; M. Hariharan, assistant sales manager in-charge of the Northwest district called Jatin Banerjee to complain that the sales promotion orientation session in his district had been scheduled when they had found extra time to spend with their families and when several had customarily taken year-end pending leave. Banerjee explained that the promotion plan would not be completed until mid or 3rd week of November, and since these sales promotion meetings were conducted by home office personnel in the five sales regions, it was not possible to schedule more than a week. It was not Hariharan's district had drawn the bad week this year.

Hariharan responded that he thought the sales promotion sessions were a waste of time anyhow. His salespeople lost two productive days in these sessions, and in his

6 **P/ID 77606/PBE1G/
PBEXF**

opinion knowledge of details of the Natraj Company's advertising and promotion plans didn't take the sales rep's job of selling to wholesalers and retailers any easier. Anyhow it was the responsibility of the field sales promotion manager to work the individual sales people and call on key dealers. In Mid-November, they interfered with sales productivity in the busiest season of the year.

Questions :

- (i) Evaluate the Natraj Speciality Company's organisation and plan for coordination of sales function.
- (ii) How should Banerjee answer Hariharan's complaint?