

(6 pages)

MAY 2011

P/ID 77606/PBE1G

Time : Three hours

Maximum : 100 marks

PART A — (5 × 6 = 30 marks)

Answer any FIVE questions.

All questions carry equal marks.

1. What the major marketing themes in the new economy?
2. Explain the scope of marketing research in India in the present scenario.
3. Briefly explain the comprehensive model of consumer decision process.
4. Briefly explain industrial goods classification.
5. What is the role of advertising in marketing mix?
6. Examine the factors affecting remuneration plan.
7. What are the techniques for motivating channel members?
8. “Industrial purchases, unlike consumer purchases, do not have emotional component” – Comment.

PART B — (5 × 10 = 50 marks)

Answer any FIVE questions.

All questions carry equal marks.

9. What is the relationship between marketing mix and marketing strategies? – Discuss.
10. Discuss analytically various elements of uncontrollable variables of marketing environment.
11. Prepare a framework for competitor analysis.
12. How does PLC concept help in formulation of marketing strategy? – Discuss.
13. ‘On account of consumer illiteracy, the audio-visual media provide an immense opportunity to communicate with consumers’ – Is it true? Outline the relative strengths and weaknesses of these media and describe their role in marketing.
14. What are the functions of distribution channels? – Discuss.
15. Describe the features of online marketing.
16. Write an essay on consumer rights and consumer protection.

PART C — (1 × 20 = 20 marks)

(Compulsory)

17. In recent years, the sales of personal care products have been growing. In 1999, the total unit sales of health care products carried at mass merchants, drug chains and super markets rose by 5.6 percent from 1998 – while unit hair colouring sales rose 12.4 percent and unit sales of facial cosmetics rose 10.4 percent.

Although the sales of personal care products at supermarkets have historically lagged behind those at mass merchants and drug chains, supermarket prospects for these items are now strong. Research indicates that 63.7 percent of hair conditioners, 25.8 percent buy hair spray and 25.1 percent buy hand and body lotions. Furthermore, the 1998 to 1999 sales increase at supermarkets was at least 10 percent for each of these categories; hair colouring (14.3 percent), women's fragrances (11.3 percent) and skin care (10 percent).

In 1999, the sales of speciality bath and body personal care items were \$ 384 million for mass merchants (up 44 percent from 1998), \$ 175 million for drug chains (up 35 percent) and \$ 88

3 **P/ID 77606/PBE1G**

million for supermarkets (up 22 percent). Tom Zimmerman, a sales director for Dial's speciality personal care division, says that even though revenues at speciality stores (such as Body Shop) continue to grow, the food drug-mass channel is growing faster. Zimmerman predicts that this segment will catch up to specialty store sales within the next three to five years.

Nancy Lund, the category manager for a natural and floral bath and body products marketer, expects that category to feature more value based products "that are pretty and smell nice." Such products, she notes, will be especially important in supermarkets and in mass channels "where the customer is looking for good value. If she wants a high end product, she will go elsewhere – a speciality or department store."

Dial's tom Zimmerman thinks supermarkets will have a greater role in the future for bath and body categories: "They appeal to women of all ages and offer above average margins and a high dollar ring: They can also enhance the store image and make shopping more fun." He further believes that supermarkets should create a dedicated section for speciality bath products that is 8 to 16 linear feet in length. This will enable them to stock a variety

4 **P/ID 77606/PBE1G**

[P.T.O.]

of different brand and to target different age groups : “supermarkets are a very important channel with a tremendous growth opportunity but the category is highly underdeveloped in food stores.” Zimmerman suggest that the lagging response id due to supermarkets’ reliance on private labels and the inability of many label producers to develop high quality fragrances, a continuous stream of new products and appropriate gift pack presentations.

In their quest for personal care sales, supermarkets have the advantage of the high volume of shopping visits versus drug and discount chains. They also have a price edge on beauty care products as compared with drug chains. An unknown factor in the competitive balance among various retail formats is web sales. Two sites in particular, drugstore.com and beauty buys.com are attempting to attract beauty care shoppers through price appeals.

Questions:

- (a) To what target market(s) should supermarkets appeals when selling personal care products?
- (b) Why do you think that many consumers do not buy personal care products at supermarkets, despite their frequent shopping trips?

- (c) What type of decision-making process applies to these personal care products? Why?
- (i) Lipstick for self
 - (ii) Shampoo for child
 - (iii) A gift of perfume.
- (d) How can supermarkets stimulate both impulse purchases and store loyalty for personal care products?
-