



SECOND EXAMINATIONS IN BACHELOR OF COMMERCE
(EXTERNAL) – 2011/2012
HELD IN JUNE 2013

B.COM 25 – MARKETING MANAGEMENT

Answer All Questions

Time: 03 Hours

Question No. 1

Read the following case and answer questions below.

Heat Heads

Heat - Heads was established in 1985 to manufacture, distribute and market pharmaceutical soft drinks. It was purely a Sri Lankan Company and had to face tough competition from multinational companies during the initial years. The company in the last decade with the help of effective market strategies has set up a place for itself, amongst the leading pharmaceutical companies in the country.

In 1995, the Managing Director of the company stressed the need for diversification and addition of new products to its existing product range. He floated the idea of manufacturing and marketing Coffee with milk, coca and sugar. His advisers suggested that such products enriched with coca, would be desirable and should be a big success, especially in view of its competitors brand. Marketing research department of the company also gave the green signal to the project after conducting a brief survey.

The company promoted its coffee with Bristo Coffee as brand name. It was supplied in a 400 grams packet at the price of Rs. 222. The product was heavily advertised in the newspapers, health magazines, radio and television. The target audience was middle class, who it was believed could afford 'Bristo Coffee'. The ordinary coffee was available in the market at the rate of Rs 90 to Rs 120 per kg. The thrust of Bristo Coffee in the promotion campaign was that this coffee contains cocas, milk and sugar.

The company has 50 stockists covering all of the country and has the sales force of about 150 representatives, for promoting its products, through super markets and shops. The representatives of the company had very good support with super market and shops. To promote the coffee, its representatives gave discount coupons to the stockists for passing over to their customers for buying their coffee. The buyer was entitled to Rs 15 discount per packet of 400 grams. The scheme continued for about six months.

Despite heavy advertisement and canvassing by its representatives, the product was unable to attract customers. It was observed that launching of this product did not affect the market position of other branded coffee at all which was being sold at Rs 270 for a pack of 275g. Rather, it was observed that the sales of the other brands of coffee have increased marginally consequent to the advertisement campaign by the Heat-Heads. The company could achieve only 25% of its sales target in the first year and it remained almost static for the next year.

Questions:

- a. What do you think are the reasons for the failure of the company to achieve its target?
(09 Marks)
 - b. What are the marketing strategies that can be suggested to improve the Bristo Coffee in the market?
(09 Marks)
 - c. Explain Product Market Expansion Grid in the context of Heat-Heads.
(06 Marks)
- (Total 24 Marks)**

Question No. 2

- I. Explain any three psychological variables typically used to study and understand consumer behavior.
(07 Marks)
 - II. 'Marketers should have insights into consumer decision making process to plan their strategies'. Explain the statement with suitable examples.
(07 Marks)
 - III. Define holistic marketing concept and briefly explain its components of it.
(05 Marks)
- (Total 19 Marks)**

Question No. 3

- I. Define positioning and explain bases on which a consumer product can be positioned in a market. Use relevant examples.
(06 Marks)
 - II. Explain with examples of your choice the different approaches of segmenting markets. What criteria can be used to compare and evaluate attractiveness of a market segment?
(07 Marks)
 - III. How can an organization create competitive advantage for its product? Use Porter's three generic strategies.
(06 Marks)
- (Total 19 Marks)**

Question No. 4

- I. Write note on the following
 - a. Vertical marketing System (VMS) (02 Marks)
 - b. Brand Extension (02 Marks)
 - c. Marketing Information System (02 Marks)
 - d. Skimming and penetration pricing strategy (02 Marks)
 - II. As components of marketing communication, public relations and advertising play major role in promoting service organization. Explain the statement with suitable examples.
(06 Marks)
 - III. Describe major components of a marketing strategy and state the relationship among the components.
(05 Marks)
- (Total 19 Marks)**

Question No. 5

- I. Describe different stages of product life cycle and state strategies at each stage with suitable examples.

(09 Marks)

- II. International marketing strategy is vital for marketers who plan to go abroad. As a international marketing consultant for a company, explain adaptation and standardization activities with suitable examples.

(10 Marks)

(Total 19 Marks)