**JAIPURIA INSTITUTE OF MANAGEMENT, INDORE**

**PGDM**

**SECOND TRIMESTER (Batch 2020-22)**

**END TERM IMPROVEMENT EXAMINATION, APRIL-2021**

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| Course Name | **Marketing Management** | Course Code | **MKT 201** |
| Max. Time | **2 hours** | Max. Marks | **40** |

**Instructions:**

Note: Answer all the questions from Section A and Section B

**Section A**

Study the following case and answer questions mentioned below.



Since the mid-1990s, Toys "R" Us (TRU) has struggled to build sales, earn a profit, curb the rise of Wal-Mart and Target in toy retailing, maintain some power in the distribution channels for toys, and sustain working relationships with its suppliers. Other toy chains have also suffered from the intense price competition but with even worse fates. KB Toys, which at one time had over 1,200 stores, filed for bankruptcy protection. So did the parent company of the FAO Schwarz and Zany Brainy chains.

In early 2005, three private equity firms stated that they would jointly acquire TRU-both the toy and baby divisions. The announced price was $6.6 billion. What might TRU look like in the future? One observer surmised, "It's likely that Toys 'R' Us and KB will reinvent themselves". In particular, they will need to take steps to avoid head-to-head price competition with Target and Wal-Mart, to the extent that's possible. Chains competing with these gigantic enterprises must seek a non-price advantage, such as broad assortments throughout the year, not just during the holiday season; exclusive merchandise; and turning shopping into a truly enjoyable experience. One option for TRU is the so called interactive format that allows children to participate in an onsite activity involving toys. The emphasis in this environment is on entertainment, thereby avoiding (or trying to avoid) direct price competition. Build a-Bear and American Girl are successful examples of the interactive format. Whatever strategies are adopted, the consensus appears to be that TRU will be smaller, with about 25 % of its 700 domestic stores off or transferred to the Babies "R" Us division.

It's expected that the new owners of Toys "R" Us Inc. will place more emphasis on the baby products retail division. Two significant advantages Babies "R" Us has over other its sibling divisions are (l) steadier year round sales and (2) relatively little direct competition with the huge discount chains (although this could change shortly). For now, Babies "R" Us has a more powerful position in the distribution channels for its products than Toys "R" Us does in its field. The new owners of the TRU division can use the steady cash flows generated Babies "R" Us to not only expand that division but also re-engineer the TRU division.

# Questions

**Q1.** How much channel power does Toys "R" Us Possess? **(6 Marks)**

**Q2.** Which kind of channel conflict-horizontal or vertical- has plagued TRU for the past 10 years? **(7 Marks)**

**Q3.** In terms of marketing strategy, what else might TRU do to be viable in the distribution of toys? **(7 Marks)**

**(Section B)**

Study the following case and answer questions mentioned below.



Radha found a worm crawling out of newly opened tetra pack of a juice manufactured by a reputed company Zest Ltd. She went back to the shopkeeper from whom the pack was purchased, who directed her to contact customer care center. Even after calling the customer care center didn’t help, Radha decided to seek from consumer activist group. The group decided to help Radha and taken measures to impose restrictions on the sales of firm's products of the particular batch and urged customers to refrain from buying the products of the Zest Ltd. The company lost its sales and image as well. The CEO gives the responsibility to a marketing manager of bringing back the lost sales and image of the Zest Ltd.

**Q4.** Identify the tool/s in marketing mix that can help the manager to rescue the firm from above crisis. **(10 Marks)**

**Q5.** Explain the role of above tool by stating at least three options each for recovering the lost sales and image rebuilding. **(10 Marks)**