**JAIPURIA INSTITUTE OF MANAGEMENT, INDORE**

**PGDM**

**SECOND TRIMESTER (Batch 2019-21)**

**END TERM EXAMINATION, DECEMBER-2019**

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| Course Name | **Marketing Management** | Course Code | **MKT201** |
| Max. Time | **2 hours** | Max. Marks | **40** |

**INSTRUCTIONS:**

Attempt all questions.

Indians love ‘snacking’ and, over the past two decades, branded salty snacks have found high acceptance across large and small cities to become the preferred choice of consumers.

The branded salty snacks market has come a long way from the 1990s, when the market was marked by the presence of brands like Haldiram’s and Uncle Chipps (eventually acquired by PepsiCo) and there were few other regional brands. The market registered a major leap in the mid-90s when beverage major PepsiCo introduced Lay’s and Cheetos, and later, Kurkure. Since then, many national and regional players have forayed into the space with diverse offerings. Post 2005, consumer products companies ITC (Bingo) and Parle Agro (Hippo) also entered the market, and, in 2009, Cavinkare also made inroads into the market through the acquisition of Garden Namkeens. Several organized retailers have introduced their private labels in this space. Global food and beverages company Del Monte has been envisaging an Indian market entry (as per media reports). At present, the branded salty snacks market is estimated to be worth INR 10,000 crore (USD 1.68 billion), and is projected to grow at a CAGR of 15-18% over the next few years.

This market can be broadly divided into two segments, viz.

♣ Western snacks : this has further two segments: Potato chips and extruded snacks like Kurkure, etc.

♣ Traditional snacks Namkeens, bhujia, daal, bhakarwadi, khakhra, banana chips, etc.

PepsiCo leads the western snacks market, and, together with other prominent players in this segment (ITC, Balaji, Parle Products, Prakash Snacks, and Haldiram’s), holds a share in excess of 70% of the market. In the traditional snacks space, Haldiram’s and the regional player, Balaji Namkeen, together account for over 50%. The rest of the market is fragmented, and understandably so, given that the market is driven by strong regional tastes and preferences.

Another trend which is true for traditional snacks is that while our palates may change every 200 km, and regional preferences are strong, there has been an increasing democratization of preferences, and many hitherto regional snack items have found nationwide acceptance, e.g. banana chips. Over the past few years, the market has witnessed a slew of activities, the emergence of new players, the expansion of snacks portfolio through continuous product innovations, aggressive marketing campaigns to establish consumer connect, shift in consumption with increasing demand for convenience, etc. Going forward, the prospects for the branded snacks market remain bright. However, players will need to focus continuously on product innovation to combat competition, both from within this category (branded as well as unbranded) as well as from other categories. While consumers are upgrading to branded products, the unbranded market remains huge in size.

Also, there are still hundreds of traditional snack categories for which branded options do not exist, which presents both an opportunity as well as a threat. Additionally, rising health consciousness owing to sedentary lifestyles and the increasing incidence of lifestyle diseases in urban India has resulted in a demand for ‘healthy’ snacks. This is only expected to increase in the future and presents lucrative opportunities for both existing as well as new players. The challenge will be to achieve the right balance of taste, health, and price.

In fact, a research firm reported that 60 % of Indian consumers snack twice a day and atleast 15% snack four times a day. 37% of snackers stated stress relief as reason for snacking. But increasing health concerns are also forcing them to look for functional benefits like added nutrition and lower calorie intake.

In fact Indian consumers are also looking for items having nuts, fruits, oats and energy bars , which traditionally are not considered as snacks in India. Also the benefit being sought are snacks high in fibre, antioxidants and added nutrients and low in fat. Kids on the other hand are more inclined towards western snacks and seek variety in flavors. Nachos also have been in the trend both for kids as well as those looking for healthy snacking.

ROOTZ a firm dealing in farm fresh Flour and pulses has established its presence in North India and is known for its range of packaged flour, rice and pulses available in two price bands: ROOTZ Naturals range which is medium priced and the ROOTZ organic range which is priced at a higher side. Its products are still in the *growth* stage of PLC and trying to compete with the likes of ITC, Shakti Bhog, Nature fresh etc.

ROOTZ is also planning to launch a new product line of snacks for its North India market.

**Q.1 a)** If you are given the task of launching the new product line of snacks, determine the

products you would recommend for ROOTZ considering the facts related to consumer tastes and preferences as mentioned in the case**. (5 Marks)**

**b)** As per the product line suggest appropriate Segmentation, Targeting and Positioning strategies for the company **(5 Marks)**

**Q.2** In reference to the product Lifecycle, determine the strategies for ROOTZ for its Farm fresh flour, rice and pulses range. **(5 Marks)**

**Q.3** Heineken will introduce Heineken 0.0, a non-alcoholic beer, nationwide in January.

Heineken thinks it can reinvigorate the category if it can give people more opportunities to drink beer. To highlight this, Heineken will advertise new occasions for people to drink beer, including after a workout or during an office lunch. The beer contains 65 calories, below even light beers like Anheuser-Busch's Michelob Ultra, a brand that has successfully positioned itself as an option for health-conscious consumers. Design an appropriate promotion mix for the company. (**10 Marks)**

**Q.4** TravelMate Robotics has created a smart suitcase called the TravelMate that follows you wherever you go. And you can control the TravelMate settings with your smartphone. The TravelMate has a GPS chip so you can track it if it gets lost and it has a USB port for charging your devices.

**a)** Differentiate between skimming and penetration pricing. Illustrate the pricing strategy that TravelMate should use for the smart suitcase. **(5 Marks)**

**b)** Differentiate between intensive and selective distribution strategy. Elucidate the distribution channel strategy that Travelmate should use for the smart suitcase. Why do you think a specific channel will work better for the company? **(10 Marks)**