



## CII Institute of Logistics

PGDSCM & Certificate Programs  
Semester-end Examination – December 2008

### MARKETING MANAGEMENT

Time : Three Hours

Marks : 100

#### Part A

Answer all questions (20 x 1 = 20 Marks)

- Which of the following is **not** a participant in consumer buying process?
  - Initiators
  - Influencers
  - Users
  - Approvers
- Which of the following is true about Pure Competition?
  - Large number of sellers selling heterogeneous products
  - A few sellers in the industry
  - Large number of sellers selling homogeneous products
  - Single seller dominating the whole industry
- While evaluating different market segments, a company need **not** look at
  - Company Objectives & Goals
  - Segment Attractiveness
  - Market Growth
  - Segment measurability
- Tata is positioning itself as one of the oldest companies and as pioneers in steel manufacturing in India. What is this positioning called?
  - Attribute Positioning
  - Competitor Positioning
  - User Positioning
  - Application Positioning
- A player who doesn't react quickly to competitor's moves is
  - Stochastic Competitor
  - Idle Competitor
  - Tiger Competitor
  - Selective Competitor
- Advertisements of Johnson & Johnson Baby products is an example to explain
  - Demographic Segmentation
  - Geographic Segmentation
  - Psychographic Segmentation
  - None of the above
- Which of the following are steps to identify market segments?
  - Survey
  - Analysis
  - Profiling
  - All the above
- When a firm sees its competitors as all companies selling similar products and fighting for the same consumer. Name the competition
  - Brand Competition
  - Generic Competition
  - Industry Competition
  - Form Competition
- Language, arts, music and religion form the basis for
  - Cultural segmentation
  - Demographical segmentation
  - Cross-cultural segmentation
  - Geographical segmentation
- One of the critical factors that distinguish between product and services marketing is
  - Heterogeneity of services
  - Transfer of ownership
  - Pre-purchase experiences
  - People factor assumes importance
- Which type of differentiation is a company creating by offering features or performance not offered by competitors?
  - Product Differentiation
  - Personnel Differentiation
  - Price Differentiation
  - Image Differentiation
- The employees at HDFC Bank are always friendly, patient and pay good attention to customers. Among all the private banks, HDFC Bank has the best staff. What type of differentiation can HDFC use to gain competitive advantage?
  - Product
  - Price
  - People
  - Promotion
- Kalpana has bought a brand of soap, which she normally uses. Which type of buying behaviour is shown by Kalpana?

- a) Habitual buying behaviour
- b) Complex buying behaviour
- c) Dissonance Reducing buying behaviour
- d) Variety seeking buying behaviour

14. Ravi and Radha are partners for life. Which are the following do they belong?

- a) Direct reference Group
- b) Secondary reference Group
- c) Peer Group
- d) Social Group

15. Which of the following is **not** a psychological factor influencing the buyer behaviour?

- a) Personality
- b) Perception
- c) Learning
- d) Motivation

16. Peter England brand caters to different segments with its flexible price range and offers a wide variety of colours and sizes for different customers. The strategy adopted by Peter England is

- a) Concentrated Marketing
- b) Differentiated Marketing
- c) Mass Marketing
- d) Uniform Marketing

17. In direct and online marketing the channel that is used for communicating with the customers is called

- a) Impersonal Channel
- b) Inter-personal Channel
- c) Informal Channel
- d) Visual Channel

18. Which of the following is **not** a part of consumer decision making process?

- a) Analysis of Alternatives
- b) Product Specification
- c) Problem Identification
- d) Information Search

19. Which of the following is **not** a participant in consumer buying process?

- a) Initiators
- b) Influencers
- c) Users
- d) Approvers

20. Under variety-seeking buying behaviour the combination is

- a) Low price; similar products
- b) High price; differentiated products
- c) Low price; differentiated products
- d) High price; similar products

### Part B

*Answer any four (4 x 10 = 40 marks)*

1. The research team of the upcoming retail chain Rogers found the response generated by the direct mail strategy followed by the firm, disappointing. It decided to fine-tune the strategy, to make it better focused and also decided to do an overall revamp of its existing impersonal system and make it more interpersonal. The company operates across four metros with a network of 40 stores. Suggest an apt communication mix for the firm.
2. Explain the two broad bases of competition with examples.
3. "Challenger" is a well established detergent brand in the market. The company intends to increase the brand equity of the product through concentrated product development and market development strategies. Give focused strategies to the company to improve its brand equity.
4. Explain the bases and avenues for Psychographic Segmentation with industry examples.
5. Describe the Economic and Political Environment of India and explain how these trends are helping the marketers
6. Discuss the relevance of Involvement in the Consumer Decision Making Process.

### Part C

*Case Study : KFC: The fast foods king of China*

Despite being the inheritors of a proud gastronomic tradition dating back centuries, what really seems to get contemporary Chinese taste buds tickling is a large helping of Kentucky Fried Chicken. Ninety-seven per cent of Chinese mainlanders dine at fast food restaurants, according to a survey conducted by pollsters AC Nielsen last year, six per cent every day. Thus, even as KFC and McDonald's find themselves struggling in their home market with increasingly health conscious customers in the US turning up their nose at anything deep fried, China has become their salvation.

### **KFC, clear winner**

The clear ruler of China's fast food roost is KFC. It is today the most recognized global brand amongst urban consumers in the mainland, according to AC Neilson's survey. KFC claims that more than 2 million Chinese eat in its restaurants every day. With 1,700 outlets in the mainland, large pictures of the goateed Colonel Sanders (founder and chief marketing icon of the company) grace 400 cities across every Chinese province, save Tibet. By contrast, arch-rival McDonald's only has 770 outlets in China.

### **China success**

On October 11, KFC's parent company Yum! Brand's China operations reported that its third-quarter operating profit jumped 26 per cent, to \$105 million, on a 28 per cent increase in sales, which touched \$445 million. By contrast in the US, where Yum! has 20,000 restaurants, operating profits rose less than 1 per cent, to \$183 million, while sales fell 7 per cent, to \$1.3 billion. For the year, the Louisville-based company says, it now expects worldwide earnings to rise 14 per cent, thanks almost entirely to China, where it opens a new restaurant every 22 hours. KFC's China success is all the more remarkable, given that for many a foreign company the mainland market has proven to be their Waterloo.

### **An edge over others**

To begin with the restaurant enjoys significant first mover advantages having entered China as far back in 1987, when it set up an outlet just off Tiananmen Square. At that time many Chinese still wore blue Mao suits and there were no fast-food restaurants anywhere else in the country (McDonald's debuted in Shenzhen in 1990 and opened in Beijing only in 1992). After a couple of initial teething problems: for example, its advertising slogan "finger-licking! good" was mistranslated into Chinese characters that meant "eat your fingers off", KFC was able to capitalize on the novelty value represented by western fare and the glamour associated with American lifestyles.

### **Lifestyle statement**

Even today the arrival of a KFC in China's smaller towns is seen as a local event, with extra security guards being pressed into service to manage the huge crowds that invariably gather. A photo taken inside one of the eateries is an essential status symbol and some couples have even hosted their wedding banquets under the benign gaze of Colonel Sanders. "When my nephew came to visit me in Beijing last week I told him I would treat him for dinner anywhere and he immediately said he wanted KFC," smiles Ms Yu Yang, a journalist who lives in Beijing. She explains that her nephew comes from a town in Sichuan province that does not yet have an American fast food restaurant. "But he had heard all about KFC from other friends

who had been to bigger cities, and so used to feel very left out." Continues Ms Yang, "Chinese love deep fried food which is why KFC is so big here."

### **Localized menu**

A penchant for the fried aside, the restaurant's popularity owes much to efforts in localizing the offerings. The menu currently includes a Beijing duck wrap with spring onions and hoisin sauce, as well as bowls of congee (rice gruel) in the mornings. Moreover, unlike in India, where the hapless Colonel has been attacked by everyone from anti-globalizers to animal rights activists; China has provided a sheltered environment for KFC to grow in. Thus, for example, even at the height of popular anti-American sentiments in 1999, when the Chinese embassy in Belgrade was attacked in a US air raid, KFCs across China continued to do brisk business.

### **American culture**

"When I was in college we often had discussions about how America was the big bad global policeman, but we blamed the American government for that. American culture however, was always attractive to us," explains Ms Yu Yang. This dichotomous attitude to the US was highlighted when your correspondent gave a lecture on "The media and cultural imperialism," at the China Communications University a few months ago. Following a spirited debate about the hegemonistic character of American culture, an earnest student approached to ask a question. Your correspondent nodded ascent and prepared to parry queries regarding the pernicious influence of Mickey Mouse. Instead, slightly breathless with nervous anticipation the student asked, "Ma'am, sorry to disturb you, but my classmates and I were all wondering: do you prefer KFC or McDonald's?"

### **Questions:**

1. Explain the position of KFC in China.
2. Examine the Marketing Environment for Fast Food Industry of China.
3. Justify why McDonald is not able to achieve what KFC is able to as far as Chinese market goes?
4. Do you think American dominance in the fast-food restaurant chains would continue in the near future? Justify your answer.