

COMMONWEALTH EXECUTIVE
MBA/MPA PROGRAMME

Term-End Examination

June, 2010

00543

C-8 : MARKETING FOR MANAGERS

Time : 3 hours

Maximum Marks : 100

(Weightage 70%)

Note : This paper consists of two Sections-A and B. Attempt any three questions from Section-A. Section-B is compulsory. All questions carry equal marks.

SECTION-A

1. What are the levels at which a service product needs to be conceptualised ? With reference to the following services, explain these levels.
 - (a) A courier service
 - (b) A fitness centre

2. (a) What are the considerations involved in designing marketing organisations ?
(b) Explain any 2 bases of organising the sales force.

3. Discuss the advantages and limitation of family branding versus individual branding. Take suitable examples to illustrate your answer.

4.
 - (a) How does the stage in the product life cycle affect pricing of a product ?
 - (b) When is a high skimming pricing strategy an appropriate strategy for a new product ? Explain with the help of examples .

5. Write short notes on *any three* of the following :
 - (a) Impact of government control on promotional decision.
 - (b) Qualities of a good sales person.
 - (c) Methods of sales forecasting.
 - (d) Family as a reference group
 - (e) Howard Sheth model

SECTION-B

6. Read the case given below and answer the questions at the end of the case :

Today, Shahnaz Hussain is a strong brand in the herbal personal care products category in India as also in the world market. What made it a strong brand is a combination, of entrepreneurial spirit, commitment and belief in the product, continuous innovation, distribution strategy and word of mouth publicity. About 27 years back when Shahnaz Hussain started her business, she had picked the skills from some of the best in the beauty schools all over Europe like Helena Rubinstein, Schwarzkopf, Lancome, Christine Varlmy etc. At the time when the cosmetic industry was dominated by chemical based products, she started developing products based on ayurveda and marketed them under her name which today has become a brand. Herbal based products were new to the market. Marketing an unknown brand and an unknown product category was the most daunting task she faced especially as the market was dominated by the well known global brands and the Retail Stores like Harrods and Selfridges in UK would not carry any other brand. In her first marketing encounter at these top stores, she realized that more than just good talk, the product had to achieve a significant sales volume before being accepted at

these stores. She then used a marketing gimmick and offered a free Kashmir carpets to all those whose purchases exceeded 20,000 francs. This did the trick. Customers stampede followed such an announcement and Selfridges and Harrods had never seen such a rush. She not only sold for the entire consignment in 1980 in three days, she also secured a counter for her in these stores. Today throughout India, herbal beauty care is synonymous with Shahnaz Hussein.

As can be made out, her strategy was to place her herbal products in jars at these elite stores, which were the ultimate destination of the upper and upper middle class aspirants. In this way she was quickly able to place her brand among the world's rich and famous. Even when the total beauty business in India is estimated to be around Rs. 2000 Crores, growing at the rate of 25 percent year on year basis and has some well known brands in the herbal category, like Himalaya Marico, Dabur, Emami and Biotique, Shahnaz Hussein's position remains unchallenged. This is because of her strategy of customised treatment being offered through her chain of clinics.

This team is supported by her range of products. The relationship between the clinic and the product is dyadic in as much as both are interdependent. Her range of products has evolved from clinical usage and client feedback.

She has a countrywide distribution network and unquestioned brand loyalty. Her brand is not a faceless one like those of others. There is a very clear identity of the person in the consumer's mind vis a vis her products. She personally attends all of her franchisee outlet openings and frequently conducts training of the practitioners.

Shahnaz Hussein also customized and developed her products to meet the needs of diverse segments. For example, she introduced men's beauty treatment in 1993 and created a presence in the spa market. Her low cost 'Day Spas' had been quite a success just as her ayurvedic Spas, which have gone global. A specialized range called professional power range has been created for the beauty salons, which are her institutional market. She also introduced *Fair One*, a natural finish screen in the mass market through a marketing alliance with Elder Pharmaceuticals. With initial success in this market, she now intends to introduce her entire range for the middle class, for whom the formulations are out of reach so far in terms of price. She has ensured that her products meet international standards for which she has an herb and flower farm near Delhi.

All this success seems although impressive if one considers that the entire brand has been built purely on the strength of word of mouth publicity and a good distribution strategy. Till today, the organization does not have an advertising budget.

Questions :

- (a) Comment upon the promotional methods used by Shahnaz Hussein to develop her brand. In your view, can she continue to use the same promotional methods in future too ?
 - (b) In your view, is her proposed strategy of introducing her products range for the middle class a good move, since part of her success was due to the exclusiveness of the products ?
 - (c) Identify the factors responsible for a strong brand identity brand loyalty in case of this brand.
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