

**GUJARAT NATIONAL LAW UNIVERSITY
GANDHINAGAR**

**Course: Marketing Management
Semester-IV (Batch: 2018-23)**

End Semester Online Examination: February 2021

Date: 10th February, 2021

Duration: 8 hours

Max. Marks: 50

Instructions:

- The respective marks for each question are indicated in-line.
- Indicate correct question numbers in front of the answer.
- No questions or clarification can be sought during the exam period, answer as it is, giving reason, if any.
- Prescribed Word Limit: 550-600 words

	Answer Any five	Marks
Q.1	<p><i>“Many market researchers have their favorite research approaches or techniques. Some researchers maintain that the only way to really learn about consumers or brands is through in-depth qualitative research. Others contend that the only legitimate and defensible form of marketing research involves quantitative measures.”</i></p> <p>Take the position based on your view and justify with appropriate reasoning and suitable examples.</p>	(10)
Q.2	<p>How Amul has stayed ahead in the game?</p> <p><i>“Amul entered the biscuit market guns blazing last month, with a social media campaign declaring that its new range of butter cookies contain 25% butter, whereas other brands have no more than 3%. The ad further invites viewers to check the nutritional information on the packaging of rival brands and send in pictures, for which they would receive an Amul hamper. The competition promptly registered a complaint with the Advertising Standards Council of India (ASCI), but RS Sodhi, managing director of the Gujarat Co-operative Milk Marketing Federation (GCMMF), which owns the Amul brand, is having none of it. “We are the custodians of the butter category,” he says. “Other brands are tarnishing it, putting vegetable oil in their cookies and calling it butter. Britannia has only 2% butter. It makes a big difference to the taste.”</i></p> <p><i>The vegetable oil cookie pictured in the Amul ad is indeed Good Day from Britannia, with which it also competes in the dairy category. Britannia finally countered with its own ad last week, which points out that the Amul Butter Cookie, with 25% butter, contains seven times more cholesterol than Good Day. Whether this convinces consumers to stay with the market leader remains to be seen, but Amul’s cookie campaign is reminiscent of the one it launched for its ice creams, which forced brands like Kvality Walls to label their products as frozen desserts because they contained no cream. It was a body blow the Unilever brand never recovered from. GCMMF is now the market leader in ice creams and a big category like biscuits has the potential to boost its Rs 33,000 crore annual turnover (2018-19) in equal measure. Amul cookies are currently available only in Gujarat, but then, the organisation has always</i></p>	(10)

opted for slow roll outs when it enters a new category, much the proverbial Juggernaut. Its ice cream was introduced first in the cities of Gujarat, then Maharashtra and it took all of five years till it was available nationally.

Meanwhile, Sodhi has revived Amul chocolates, with a range of dark chocolates manufactured at a brand new hi-tech plant (inaugurated by Prime Minister Modi) located next to its bakery facilities. GCMMF has been innovating in the beverages category, with new products ranging from whey-based fruit drinks to milky mocktails that actually taste vaguely of alcohol. Amul has also responded to the increased segmentation its primary product, with lactose-free milk, cow milk, buffalo milk and, from its dairy in Bhuj, camel milk. And then there's the mithai range – peda, kajukathi, rasmalai – which Sodhi expects will soon take a quantum leap in volumes. "Our strategy is to tailor products to local taste. We have dairies in every part of the country which can do that. Products for Delhi are made in Delhi. For example, there are five different types of Amul ghee, made from different process, marketed according to region," he says.

Backing this ever-expanding product portfolio is a powerful distribution channel, which includes 8,500 exclusive Amul parlours. BM Vyas, managing director of GCMMF from 1994 to 2010, recalls how the channel was built: "After the successful ice cream launch in 1996, we were opening 50 outlets a day. We could not give them high margins, as a cooperative committed to holding down costs, but we promised volumes. It helped that the Dhara brand of oil was also with GCMMF, providing distribution beft."

Those were the days when the naysayers were predicting Amul would cave to private sector competition after liberalisation, but it actually managed to hold its own and grow. When GCMMF was created in 1974 to market the products of Gujarat's district dairies on a 5% commission, its portfolio consisted of liquid milk, milk powder, ghee, cheese and butter, which were often in short supply. Come the 90s, the situation reversed and booming milk production obliged GCMMF to think in terms of more value added products. "Our market research threw up a list of 40 products that consumers might want from Amul. Many of them, like curd and buttermilk, were traditionally made at home. But we believed the new Indian consumer had more money but less time and wanted off-the-shelf options," says Vyas.

Still, the trepidation over launching curd and buttermilk was such that GCMMF created the Masti sub-brand to shield Amul from possible disaster. These two products remain a runaway success but some of the others on the list did not fare as well. Amul Frozen Pizza and Masti soup, both considered high-potential products, failed to take off.

As it forayed into new product categories, Amul introduced several innovations in packaging. Hindustan Packaging, a joint venture between Tetra Pak of Switzerland and the National Dairy Development Board, which then made the packaging for Dhara oil, was roped in for packaging long-lasting Ultra High Processed milk in 1994. This was Amul's second attempt at selling milk in Tetra Pak cartons and Vyas took no chances. "We decided to call it Taaza, though it has a one-year shelf life," he says with a grin. "And we initially priced it at cost. It was transported from Anand to Kolkata, where it cost at Rs 18 a litre, when fresh milk was Rs 14."

Today, GCMMF's big challenge is to keep the image of its brand young, while retaining its legacy. Market research says Amul appeals most to the 35+ age segment and less to youngsters, who think it's

rather fuddy-duddy. The mantle for change is set to fall on Kishore Jhala, GCMMF's chief operating officer and MD designate, who is reaching out to the young segment through sports sponsorships and digital marketing. "Amul is a mass brand, but the youth of today is no longer on mass media. You have to catch them elsewhere," he says.

As it turns out, the Amul moppet has taken well to social media. Originally created for Amul butter in 1966, with the "utterly butterly delicious" tagline, the cartoon series has proved to be so enduring that GCMMF now uses it for the umbrella brand, with no mention of butter. Still, old associations die hard. In May, when Amul created a cartoon of Deepika Padukone at Cannes in her Giambattista Valli tulle gown with the title "Gori Tera Gown Badda Nyaara," the Bollywood actress put it on her Instagram handle (38 million followers) with the comment "this is truly the icing on the cake...or the butter on the toast." Her husband Ranvir Singh (26 million followers) then punned "literally raising a toast. Makkehan is life." "This is not the first time this has happened," says Jhala. "Celebrities from every field feel they have arrived when they are featured in Amul topicals."

(Source: ET Brand Equity, August 2019)

As mentioned in the article, 'Market research says Amul appeals most to the 35+ age segment and less to youngsters'. Based on the above statement, discuss the pros and cons of this brand image in long run from consumer behaviour perspective.

Q.3 Are brands building for Bharat or just India? (10)

In 2018, Hindustan Unilever and Ogilvy installed a shower cubicle in a village in Rajasthan, one of India's driest states. The public service advertisement showed half of the village's population drink water from the shower in the time it takes one city-dweller to bathe. The poignant film showed us the value of water from the point of view of those who don't have it, leaving a mark strong enough to prompt some viewers to buy buckets for bathing.

That was before the corona virus outbreak and before we began obsessively washing our hands while singing the 'Happy Birthday' song.

Over the past three months, consumer goods companies of all sizes have launched hundreds of sanitisers and soaps for everything from skin to surfaces to fruit and veggies, made for urban India, mainly. Very few are innovating and creating products and services specifically for the millions at the bottom of the pyramid, where easy access to clean drinking water is a luxury, still.

In fact, marketers didn't behave very differently in pre-Covid times.

Arvind Bhandari, EVP, director at Nestle, that owns brands like Maggi, Kit Kat and Nescafé, says, "What usually happens is mainstream products are downsized, down-priced and occasionally even down-valued for the bottom of pyramid consumers in urban India. And since the urban poor resemble the rural folks in affordability this approach seems to work fine."

Effects of the pandemic and the lengthy lockdown, however, might push marketers to change the way they approach and address the needs of people in rural India.

In the past decade, consumer goods companies have increasingly relied on rural markets, home to over 800 million people, whose purchase behaviour is largely linked to farm output. Rural India accounts for

36% of overall FMCG sales and historically grew faster than urban. According to marketers BE spoke to, as India unlocks, rural consumption is expected to bounce back faster than urban consumption.

At Hindustan Unilever, efforts are focused on driving affordability, awareness, and “positivity”, for now. Prabha Narasimhan, executive director – home care, HUL, tells BE, “In rural markets, the key consumer concern is around securing income and managing budgets judiciously. For these consumers, our endeavour has been to deliver better value through a range of actions.” The company dropped the price of its detergent brand, Wheel, to Rs.1/5/10 SKUs (stock keeping unit). With Lifebuoy, HUL is taking a ‘hands-on’ approach to spread hygiene awareness. For Wheel, it extended the purpose-driven program ‘Ghar se career’ to enable women to learn new skills. Soon after, it launched a new campaign, ‘Ghar pesurakhsba’, to provide accurate and relevant safety information.

As brands get a firmer grip on the new ground reality, they are scaling up existing marketing initiatives. Over the past few years, Marico’s hair oil brand, Nihar Shanti Amla, mainly sold in Hindi-speaking northern belts, launched various education initiatives, including a programme that allows students to learn basic English using a toll-free phone number. During the lockdown and the e-learning boom that ensued, the company launched ‘PadhaiPe Lockdown Nahi’ in partnership with AAS Vidyalaya to provide free virtual classes for students from 6th to 10th standard.

Currently, rural India contributes about 31% of Marico’s domestic sales and Koshy George, the company’s chief marketing officer, is optimistic about the demand impulses from these markets. He says, “As the benefits of the Government’s interventions along with that of good monsoons are realised by farmers, we believe there will be an increase in disposable income in rural India. Therefore, companies with direct rural distribution are likely to gain in the coming months.”

According to the World Bank, 65% of India’s population lives in rural regions. Brands are still a long way from tapping into the vast potential in the diversity of rural India. That’s why homegrown CPG firm Dabur’s ‘Project Rise’ gathers local insights to build products and marketing initiatives of the future. Chief executive Mohit Malhotra tells BE, “We see India as an amalgamation of different clusters with each cluster having distinct consumer beliefs, patterns and preferences.”

But Covid-19 has flattened some of the differences between rural and urban. Malhotra says, “The importance of preventive healthcare and personal hygiene is growing in the consumer’s mind. And this is true for both urban and rural India. Also, hygiene products, for personal and household use, are gaining importance. We are seeing rural consumers also adopt branded cleaning products.” The maker of Chyawanprash is directly reaching out to consumers in smaller towns under its ‘Immunity at your Doorstep’ programme with ‘immunity vans’ doing rounds of small towns.

Conscious of poor health infrastructure in rural India, faith in compliance and prevention emerged as their defence mechanism, says Sanjay Kaul, founder of Impact Communications. “For urban consumers, companies have launched disinfectant wash and sprays for vegetable, fruits, etc., but the brands with fortification and immunity promise are going to click with consumers in rural,” says Kaul. “Plank of immunity and hygiene are most relevant and have more takers than ever before in rural India.”

FMCG major ITC’s executive director, B Sumant, believes that needs of rural and urban consumers are converging to some extent. “The divide in aspirations and consumer behaviour has been narrowing over the years. The calibrated approach to protection and consciousness towards health and hygiene is similar in urban and rural India. The only difference is in the absolute size and the lower penetration levels in rural, which is an opportunity to tap into.” In an “inclusive step forward”, the company introduced Savlon sanitiser in sachets at half a rupee. Sumant says, “Delivering value through offerings in innovative formats making hygiene more accessible will continue to influence penetration.”

Ways to wash the virus off our hands seem to be taken care of, but what of the fear it has embedded in the consumer's mind and heart?

People everywhere are using everything from flicks to food to drown anxiety and fear brought on by the pandemic and the economic crisis. Like their urban counterparts, people in rural India are increasingly using newer ways to access entertainment and education, for instance. The acceleration of India's digital revolution is as prominent at the bottom of the pyramid. A clear indication of this shift is in the area of religion going virtual, and people seeking out more devotional content across platforms. Therefore, over the past two months, ITC developed fresh and relevant content for its agarbatti brand Mangaldeep's devotional app, loading it with mantras and chants to invoke positivity, naivedyam recipes for festivals, and "live pujas". Because, for millions of people across rural and urban India, devotional tunes and content are immunity boosters for the soul.

(source: ET Brand Equity, June 2020)

Give your views on the strategies adopted to target the Indian rural market for its possibilities of success with appropriate reasoning.

- Q.4 Discuss various strategies for Marketing of Professional services with suitable examples. (10)
- Q.5 *'Non – profit organizations do not need marketing activities as they are not in typical business activities'* (10)
– Do you agree with the statement? Justify with appropriate reasoning.
- Q.6 “With marketers’ increasingly adapting more and more refined market segmentation techniques – fueled by the internet and other customization efforts – some critics claim that the mass marketing is dead. Others counter that there will always be room for large brands that employ marketing programs targeting the mass market”. (10)

Do you agree with the statement? Justify your opinion with appropriate reasoning and examples.
