Total No. of Questions : 4]

SEAT No. :

PC-1149

[Total No. of Pages : 7

[6316]-410
T.Y. B.B.A.
A 606 : Cases in Marketing
(2019 Pattern) (Semester - VI)

Time : 2½ Hours] *[Max. Marks : 50*

Instructions to the candidates :

1) All questions are compulsory.

2) Figures to the right indicate full marks.

Q1) Write Short Notes: (In 150 words) (attempt any 1) **[5]**

a) Explain the significance of Case Studies in today's world.

b) What is an ideal case study format?

Q2) Case Study 1: **[15]**

In April 1995, Kellogg India Ltd. (Kellogg) received unsettling reports of a gradual drop in sales from its distributors in Mumbai. There was a 25% decline in countrywide sales since March1995, the month Kellogg products had been made available nationally.

Launched in September 1994, Kellogg's initial offerings in India included cornflakes, wheat flakes and Basmati rice flakes. Despite offering good quality products and being supported by the technical, managerial and financial resources of its parent, Kellogg's products failed in the Indian market. Even a high-profile launch backed by hectic media activity failed to make an impact in the market place. Meanwhile, negative media coverage regarding the products increased, as more and more consumers were reportedly rejecting the taste. There were complaints that the products were not available in many cities. According to analysts, out of every 100 packets sold, only two were being bought by regular customers; with the rest 98 being first-time buyers. Converting these experimenters into regular buyers had become a major problem for the company.

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By September, 1995, sales had virtually stagnated. Marketing experts pointed out various mistakes that Kellogg had committed and it was being increasingly felt that the company would find it extremely difficult to sustain itself in the Indian market.

A typical, average middle-class Indian family did not have breakfast on a regular basis like their Western counterparts. Those who did have breakfast, consumed milk, biscuits, bread, butter, jam or local food preparations like idlis, parathas etc. According to analysts, a major reason for Kellogg's failure was the fact that the taste of its products did not suit Indian breakfast habits. Kellogg sources were however quick to assert that the company was not trying to change these habits; the idea was only to launch its products on the health platform and make consumers see the benefit of this healthier alternative.

In most Third World countries pricing is believed to play a dominant role in the demand for any product. But Kellogg did not share this view. Avronsart said, "Research demonstrates that to be well accepted by consumers even the most nutritious product must taste good. Most consumers view quality as they view taste, but with a very high standard. We approach pricing on a case-to- case basis, always consistent with the total value delivered by each product."

Kellogg's advertising had not been very impressive in the initial years. Apart from 'Jago jaise bhi, lo Kellogg's hi,' the brand had no long-term baseline lines. Later, Kellogg attempted to indianise its campaigns instead of simply copying its international promotions.

In April 1997, Kellogg launched 'The Kellogg Breakfast Week,' a community-oriented initiative to generate awareness about the importance of breakfast. The program focussed on prevention of anemia and conducted a series of nutrition workshops activities for both individuals and families. The program was launched in Chennai, Delhi and Mumbai. The company tied up with the Indian Dietetic Association (IDA) to launch a nation-wide public-service initiative to raise awareness about iron deficiency problems.

In 1995, Kellogg had a 53% share of the Rs 150 million breakfast cereal market, which had been growing at 4-5% per annum till then. By 2000, the market size was Rs 600 million, and Kellogg's share had increased to 65%. Analysts claimed that Kellogg' entry was responsible for this growth. The company's improved prospects were clearly attributed to the shift in positioning, increased consumer promotions and an enhanced media budget. The effort to develop products specifically for the Indian market helped Kellogg make significant in roads into the Indian market.

a) Why the sales of Kellogg was not good in the Indian market?
b) Why middle class Indian family not purchasing Kellogg products?
c) What was the company's main objective to launch Kellogg products in Indian market?
d) Was pricing the major issue as per Avronsart for less sales in India?
e) What was the name of the Campaign launched by Kellogg and what was its objective?

Q3) Case Study 2 **[15]**

Karamchand Appliances Private Limited (KAPL) is perhaps not a familiar name for the average Indian consumer. However, KAPL's brand 'All Out' is very well-known. In fact, the name All Out is almost a generic name for Liquid Vaporizers (vaporizers), a segment of the Rs 4 billion[1] (in 1999) mosquito repellant industry in India.

KAPL was almost solely responsible for creating this segment. Within a decade of its launch, All Out had converted a large number of customers into vaporizer users, and had also established itself as the market leader in the segment, with a 69 percent market share in 1999.

The success of KAPL is particularly noteworthy, considering the fact that it was a small family-owned company that managed to wrest market share from corporate giants such as Godrej Sara Lee Ltd. (GSLL) and Hindustan Lever Ltd. (HLL) with strong, established brands such as GoodKnight, Jet, Tortoise, Baygon and Mortein, amidst stiff competition.

With over 255 species of mosquitoes - believed to be responsible for spreading diseases such as malaria and dengue fever, India has a large and growing market for mosquito repellants. Many methods are used in households for dealing with the mosquito menace. In spite of the pervasiveness of the mosquito problem, the use of repellants in India is fairly low. It is estimated that only 16.4% of the households in all urban areas and 22.6% in the metros use mosquito repellants. Until 1994, Tortoise brand agarbatti was preferred by the people and it remained the market leader in its segment, with a 67% market share.

The figure for the rural areas is even lower, at only 6.9%. In terms of value, the mat segment was the largest (51%), followed by coils (21%) and vaporizers (7%). Coils were the first mosquito repellants to be introduced in the Indian market. The figure for the rural areas is even lower, at only 6.9%. In terms of value, the mat segment was the largest (51%), followed by coils (21%) and vaporizers (7%). Coils were the first mosquito repellants to be introduced in the Indian market. The first brand of coils was Tortoise, launched by Bombay

Chemicals Ltd. (BCL) in the 1970s. Until 1994, Tortoise remained the market leader in its segment, with a 67% market share.

In the latter half of the 1990s, the market became much more competitive, with the entry of GSLL[2] Reckitt & Coleman (R&C, now Reckitt Benckiser) and HLL. GSLL launched an array of brands (all coils) one after the other - Jet Fighter (1997), GoodKnight Jumbo (1999) and GoodKnight Instant, GoodKnight Smokeless and Jet Jumbo (2000).

While the other companies concentrated on the coils and mats markets, KAPL promoted the use of vaporizers. By the mid 1990s, vaporizers had attained a market share of 5 percent. This segment was almost completely dominated by KAPL, whose sales reached Rs 253 million in 1996-97.

GSLL could no longer ignore this growing segment and launched its own vaporizer under the GoodKnight brand in 1996-97. GoodKnight soon acquired a 40% market share of the vaporizer market. However, this did not affect the sales of KAPL, as the launch of GoodKnight had led to a growth in the overall size of the vaporizer market.

Instead of eating into All Out's sales, GSLL ended up expanding the market.

In what manner GSLL benefitted All Out brand? - GSLL concentrated on the growing segment of vaporizers and launched its own vaporizer under the GoodKnight brand in 1996-97. The launch of GoodKnight had led to a growth in the overall size of the vaporizer market. Instead of eating into All Out's sales, GSLL ended up expanding the market.

However, GoodKnight could not sustain its success and by 1999, the brand's market share had gone down to 21% - a major portion of the 19% loss being taken up by All Out. Although the initial success of All Out was largely due to technological innovation and first-mover advantages, it was widely believed that what had kept the brand going was strong marketing.

KAPL hired Avenues, reportedly one of the best creative agencies in India, to handle the advertising for All Out. However, the company was not satisfied with the advertisements created by the agency, which had the baseline, 'All Out for modern mosquitoes.' Bimal said, "Six months down the line, we had holes in our pockets. They kept telling us to have patience as it takes time, but we lost patience."

KAPL then decided to handle the advertising for All Out on its own, surprising many industry watchers and drawing criticism from some ad agencies. However, the company surprised everybody with the launch of a campaign featuring an animated, jumping frog (actually an All Out vaporizer) eating mosquitoes, which proved to be immensely successful.

According to industry reports, the Indian mosquito repellant market was expected to grow rapidly in the early 21st century, Analysts said that with improvement in literacy and health consciousness in rural areas, the use of mosquito repellants was expected to increase substantially in these areas.

As the per capita usage of repellants was very low in the country, there was considerable scope for the market to expand. However, increasing concern over the harmful effects of the chemicals in mosquito repellants on the health of human beings was expected to be hamper growth.

a) What was the market share of mosquito repellants in urban and metro cities and Why the use of mosquito repellants was low in the Indian market?

b) Name the competitors of KAPL (All Out brand)

c) What were the reasons behind the initial success of All Out?

d) Which advertising campaign worked for All Out?

e) As per the analysts in what way the sales of mosquito repellants would increase?

Q4) Case Study 3 **[15]**

Domino's and Pizza Hut the two big US fast food chains entered India in 1996. Each claimed it had the original recipe as the Italians first wrote it and was trying desperately to create brand loyalty. Domino's and Pizza Hut - tried to grab as large a slice of the pizza pie as possible.

While Pizza Hut relied on its USP of "dining experience", Domino's USP was a 30-minute delivery frame. To penetrate the market, both the players redefined their recipes to suit the Indian tastes. Domino's went a step ahead by differentiating regions and applying the taste-factor accordingly. Domino's also made ordering simpler through a single toll-free number through out the country. When Domino's entered the Indian market, the concept of home delivery was still in its nascent stages. It existed only in some major cities and was restricted to delivery by the friendly neighborhood fast food outlets. Eating out at 'branded' restaurants was more prevalent. To penetrate the Indian market, Domino's introduced an integrated home delivery system from a network of company outlets within 30 minutes of the order being placed.

However, Domino's was not the trendsetter so far as home delivery was concerned. Delhi based fast food chain, Nirula's was the first to start free home delivery in 1994. But where Domino's stole the market was its efficient delivery record. Goutham Advani (Advani), Chief of Marketing, Domino's Pizza India, said, "What really worked its way into the Indian mind set was the promised thirty minute delivery." Domino's also offered compensation: Rs.30/- off the price tag, if there was a delay in delivery[4] For the first 4 years in India, Domino's concentrated on its 'Delivery' act.

For its delivery promise to work, Domino's followed a 11-minute schedule: one minute for taking down the order, one minute for Pizza-making, six minutes oven-time, and three minutes for packing, sealing and exit. Pizza Hut, on the other hand, laid more emphasis on its "restaurant dining experience." It positioned itself as a family restaurant and also concentrated on wooing kids. Its delivery service was not time-bound.

A company official said, "The Pizza making process takes about 20 minutes and since we don't usually deliver to places which are beyond the reachable-in-half-an-hour distance, customers can expect home delivery within 45 minutes." Moreover, analysts felt that Pizza was something that just was not meant to be delivered. Said Vivek Sure, Projects Manager, Pizza PizzaExpress, "If you don't eat pizza fresh, it turns cold and soggy." However, Domino's seemed to have overcome this problem through its delivery pack called 'Domino's Heatwave.

Since its entry into India, Domino's introduced nine new toppings for Pizzas to cater to the local tastes[6]. Different flavors were introduced in different parts of India. Advani said, "The Indian palate is very definitive - people are extremely finicky and choosy, not too willing to experiment. Food tastes vary from region to region. To capture the market, we had to localize flavors." Thus, Deluxe Chicken with Mustard Sauce' and Sardines were confined to the East, Mutton Ghongura and Chicken Chettinad to the South and Chicken Pudina to Mumbai. Butter chicken, Makhani Paneer and the Chatpata Chana Masala were confined to the North.

Very soon, Pizza Hut followed Domino's and offered customized Spicy Paneer and Chicken Tikka toppings. Apart from this, it also opened a 100% vegetarian restaurant at Ahmedabad, a one-of-its-kind worldwide. The restaurant also offered a special Jain menu, which did not have a single root-based ingredient to fit in with the food habits of Jains.

Another city-specific adaptation of its menu by Pizza Hut was the restaurant in Hyderabad, (Andhra Pradesh) which offered Halal[8] meat and chicken only with no beef and pork products in the menu.

Domino's and Pizza Hut initially restricted their ad strategy to banners, hoardings and specific promotions. In August 2000, Domino's launched the 'Hlungry Kya? (Are You Hungry)' sequence of advertisements on television.

A company official said, “We realized that a Pizza couldn’t be slotted - it could be a snack; then again, it could also be a complete meal” The only definitive common link between Domino’s Pizzas and eating was the hunger platform.

he launch of ‘Hungry Kya?’ campaign coincided with Domino’s tie-up with Mahanagar Telephones Nigam Ltd. (MTNL) for the ‘Hunger Helpline’. The helpline enabled the customers to dial a toll-free number (1600-111-123) from any place in India. The number automatically hunted out the nearest Domino’s outlet from the place where the call was made and connected the customer for placing the order

The number also helped Domino’s to add the customer’s name, address and phone number to its database. This was followed by Pizza Hut’s first campaign on television in July 2001, which said, ‘Good times start with great pizzas.[10] The ad was aired during all the important programs on Star Plus, Sony, Sony Max, Star Movies, HBO, AXN, and MTV.

Pizza Hut planned to spend between Rs.70-75 million on the ad campaign in 2001. Said Pankaj Batra, “The first ad campaign on TV defines Pizza Hut as a brand, and what it offers to its existing and potential customers. Once the awareness of this message is high, we will focus on other facets of the brand and its offerings.”

a) What was the marketing USP of Dominos and Pizza Hut and how both companies targeted the Indian market?

b) How Dominos penetrated and influenced the Indian market?

c) What mechanism was used by Dominos for its ‘delivery promise to work’ and how dominos positioned itself in the market?

d) What strategies were implemented by Dominos and Pizza Hut for localizing the menu in India?

e) What advertising strategies Dominos and Pizza Hut implemented?

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