

MID-WESTERN UNIVERSITY
FACULTY OF MANAGEMENT
FINAL EXAMINATION: 2073
MASTER OF BUSINESS ADMINISTRATION (MBA)
SEMESTER – II

Subject: Marketing Management
Full Marks: 100

Course Code: MGT 521
Time: 4:00 Hours

You are required to answer in your own words as far as applicable. The figures in the margin indicate full marks.

SECTION B: SHORT ANSWER QUESTIONS (5X6 = 30 MARKS)

Answer any FIVE questions:

- Q1. 'The definition of marketing largely depends upon the time and circumstances, and it has come through suggestively'. Explain [6]
- Q2. Compare and contrast between push and pull promotion strategies. [6]
- Q3. Consumers undertake complex buying behavior when they are highly involved in purchasing. Identify and explain the consumer buying decision process. [2+4]
- Q4. Explain stages in the adoption process of new products with relevant example. [6]
- Q5. Describe the four characteristics of services that marketers must consider when designing marketing program. [6]
- Q6. Explain market-skimming and market-penetration pricing strategies. Why would a marketer of innovative high-tech products choose market-skimming pricing rather than market-penetration pricing when launching a new product? [4+2]
- Q7. Write short notes (On any Two): [3+3]
- a) Vertical marketing system
 - b) Horizontal marketing system
 - c) Multichannel distribution system

SECTION C: LONG ANSWER QUESTIONS (2X15 = 30 MARKS)

Answer any TWO questions:

- Q8. Explain the buyer characteristics that affect buyer behavior and discuss which one(s) would influence you most when making a new car purchase decision. [10+5]
- Q9. Describe the decisions taken by a company regarding its product lines and product mixes. [7.5+7.5]
- Q10. Name and describe the common methods for setting promotion budgets. [15]

SECTION D: CASE STUDY (20 MARKS)

- Q11. Read a case given below and answer the following questions:

Case: Nepali Mineral Water Industry

The mineral water market is far more complex than is often recognized; through the product itself is simple. It is difficult to support an argument that there is a difference in quality and purpose between the most popular and other brands. Yet the market is divided into a number of segments.

There is always more than one way to visualize or describe a market and its component segments, but for the purpose for our discussion we will refer to bulk and beverage water markets. The bulk water market includes homes and offices, where water is delivered with dispensers in gallon or large size bottles or sold through retail stores. The beverage water market is the fastest growing bottled water market. It consists of a single serve bottles that ranges from half-liter to two liters.

Historically, the bulk water business has been the core business of most of the existing big companies of the world. The home office delivery of bulk water in 5 gallons (19 lts) jar is a business identified with local or

regional markets. It is a marketing driven business that responds well to sound database marketing programs, direct sales and customer promotions. Companies that have developed and refined advertising programs and marketing strategies measurable against result find the sales to be quite predictable from one year to the next. For many of these companies, it is possible to manage growth with relative precision by simply increasing or decreasing the level of promotion. In such case, the budget for advertising and marketing is driven by clear sales objectives. While budget performance should in most cases be quite predictable, a number of uncontrollable factors can have a serious impact upon sales.

A Kathmandu based newspaper has reported "Concerning the water source, most branded bottled water in Nepal is full of nothing but harmful lies. Most of the so called mineral water; they are neither pure water nor mineral water, they are brought in tanker form nearby polluted river and chemically treated with hardly few filters. They are manually bottled and contain harmful bacteria and foreign particles that are highly injurious to human health". Such reports frequently appear in the media targeting a specific company or the industry as a whole.

In Nepal most of the mineral water companies neither have strategic planning nor advertising. Brand awareness is very low. The industry is in the grip of middlemen such as distributors and dealers. Most of the companies have become sick due to the intense price war. Small and new companies are pushing their product through the small wholesalers and retailers. As a result of all this, the consumers are double cheated. When a consumer goes to a retailer and asks for a bottle of mineral water not naming the brand, the retailer pushes the product that gives the maximum margin. Four to five years back mineral water products were categorized as a tourist product and were priced at Rs. 20 and Rs. 25. Today with the entry of many new companies, the consumer price has come down to Rs. 15 a bottle. Today, bottled water users constitute around 5 to 10 percent of the population of Nepal. In the Asia-Pacific, EEC and America, the local populations consume 70 to 80 percent of the mineral water production. Even in India, around 30 percent of the total consumption is by local people. In Nepal, unless the local mineral water processors are united, go for their own source of water, upgrade their plants and quality of mineral water, and develop and educate the consumers, it may be difficult to expand the size of the market. Today this industry has encountered only the beginning of the battle for quality water sources. Water rights and the prioritization of water use will be at the forefront of the issues concerning the industry over the next fifty years.

The beverage part of the bottled water market is sometimes described as the single-serve market since the product in this category is most often consumed by a single person directly from the bottle. This product competes for market share with packaged beverages such as cokes and other flavored beverages. It is doubtful that increased consumption of bulk water will have any negative impact upon the consumption of beverage water. Failure to recognize the difference between these two products with different consumer profiles may result in serious targeting errors and a greatly compromised efficiency in advertising exposure. It may also lead some companies producing and marketing bulk water successfully to believe that they are well positioned to expand their beverage market.

Questions:

- a) Discuss the environmental variables affecting the growth of the bottled water industry in Nepal. [5]
- b) How do you evaluate the marketing opportunities emerging in the bottled water market in Nepal? [5]
- c) Suggest appropriate marketing mix for a new firm entering into the bottled water market. [5]
- d) Which marketing philosophy would be appropriate in the case? Why? [5]