



**Executive Masters  
January- June**

**Sessional Examination  
MM 312- Marketing Management**

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**BOTSWANA OPEN UNIVERSITY**

**In collaboration with  
THE COMMONWEALTH OF LEARNING**

**Commonwealth Executive Masters in Business Administration  
Commonwealth Executive Masters in Public Administration**

**MARKETING MANAGEMENT**

**MM 312**

**SESSIONAL EXAMINATION**

**Marks: 100**

**Time allowed: 3 hours**

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**Instructions**

1. This paper comprises of TWO parts.
2. Answer **ALL** questions in Section A and any two in Section B.
3. Answer questions according to instructions given in each section
4. Write answers in the answer booklet provided
5. Answer **ALL** questions, in grammatical **English**.



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**SECTION A: Compulsory question**

**[40 MARKS]**

**Read the following case carefully and answer all questions that follow**

**IKEA**

IKEA, the largest home-furnishing retailer in the world, is globally acclaimed for its prowess in offering innovatively designed durable furniture at low prices. The Swedish furniture giant is all set to launch its first store in Hyderabad in mid-2018 and has reportedly invested a whopping 1,000 crore (US\$ 150 million) in India since 2016 for the establishment of infrastructure, together with land and distribution hubs. In developed markets such as USA, Sweden or South Korea, IKEA is predominantly positioned as a low-priced brand targeted at the masses. However, in emerging markets such as China, Russia and now India, where 'affordability' is the key to survival, it must capitalize on a burgeoning middle class that aspires to international lifestyle brands. Unlike their foreign counterparts, Indian consumers would be much likely to prefer an all-inclusive variety and design choices under a single roof. Mahesh Shah, the CEO of Home Centre asserts that IKEA's entry in India would prompt a metamorphosis in the Indian furniture market and would challenge value retailers such as Furniture Bazaar. To achieve this, the company must jettison its earlier "one-size-fits-all" mantra and accept the premise "horses for courses", which implies that all markets are different and unique.

**Source;** 4th FLAME International Conference on Research and Teaching Cases, June 21<sup>st</sup> 2018 & June 22<sup>nd</sup> 2018

- a) Explain how IKEA could utilize strategic cost drivers to attain a low-cost advantage in the market. **(10 Marks)**
  
- b) Discuss any five (5) competition-based pricing methods that IKEA could in the Indian market. **(15 Marks)**
  
- c) Discuss the phases of the product lifecycle that KEA's furniture will go through in the South Korean market. **(15 Marks)**



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**SECTION B- Answer any two questions from this section**

**[60 MARKS]**

**QUESTION 1**

**(30 Marks)**

**PROCTER AND GAMBLE**

**Read the following case study carefully and answer all the questions given at the end of the case.**

Procter and Gamble (P&G) began in 1837 when brothers in law Willam Procter and James Gamble, whose wives were Sisters, formed a small candle and soap company. From there, P&G innovated and launched scores of revolutionary products of superior quality and value, including Ivory Soap in 1882, Tide Laundry detergent in 1946, Crest Toothpaste with fluoride in 1955 and Pampers disposable diapers in 1961. P&G also acquired a number of companies to open the doors to new product categories. Among these were Richardson Vicks (Makers of Personal care products like Pantene, Olay, Vicks, Gillette and Noxell.

Today, P&G is one of the most skillful marketers of consumer-packaged goods in the world and holds one of the most powerful portfolios of trusted brands. The company employs 138000 people in more than 80 Countries worldwide and has total worldwide sales of more than \$79Billion a year. It is the leader in 15 of the 21 product categories in which it competes. Its sustained market leadership rests on a number of capabilities and philosophies:

**Customer Knowledge:**

P&G studies its customers both end consumers and trade partners through continuous marketing research and intelligence gathering. It also emphasizes getting its marketers and researchers out into the field, where they can interact with consumers and retailers in the natural environment.

**Long Term Outlook:**

P&G takes the time to analyse each opportunity carefully and prepare the best product, and then



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commits itself to making this product a success. Recently, P&G has focused on increasing its presence in developing markets concentrating on affordability, brand awareness and distribution through e-commerce and high frequency stores.

**Product Innovation:**

P&G is an active product innovator, devoting \$2 Billion annually to research and development, an impressively high amount for a packaged goods company. It employs more science PhDs than Harvard, Berkeley and MIT combined and apply for roughly 3800 patents each year.

**Quality strategy:**

P&G designs products of above average quality and continuously improves them in ways that matter to consumers.

**Brand Extension strategy:**

P&G produces its brands in several sizes and forms. This strategy gains more shelf space and prevents competitors from moving in to satisfy unmet market needs. P&G also uses its strong brand names to launch new products with instant recognition and much less advertising outlay.

**Multibrand strategy:**

P&G markets several brands in the same product category and each brand meets a different consumer want and competes against specific competitors brands. Hence the company has reduced its vast array of products, sizes, flavors and varieties in recent years to assemble a stronger brand portfolio.

**Communication pioneer:**

With its acquisition of Gillette, P&G became the nation's largest advertiser, spending over \$2.3 Billion a year and as such create strong consumer awareness and preference by shifting its attention to online marketing and social media efforts. These efforts help infuse stronger emotional appeals into communications and create deeper consumer connections.

**Aggressive sales force:**

P&G sales forces have been named one of the top 25 by Sales and Marketing Management



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Magazine. A key to its success is its closeness to its retailers such as Wal-Mart.

**Manufacturing efficiency and cost cutting:**

P&G reputation as a great marketing company is matched by its excellence as a manufacturing company. P&G spends significant amounts developing and improving production operations to keep its costs among the lowest in the industry, allowing it to reduce the premium prices at which some of its goods sell.

**Brand management system:**

P&G originated the brand management system, in which one executive is responsible for each brand. Recently, P&G modified its general management structure so a category manager now runs each brand category with volume and profit responsibility. This help to sharpen strategic focus on key consumer needs and competition in the category.

1. Assume that P&G conducts internal analysis and specifically targets the marketing function for analysis. Discuss any five (5) factors that P&G should examine under the marketing function. **(15 Marks)**
2. Explain how P&G could analyse its key competitors in order to predict their future actions. **(15 Marks)**



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**QUESTION 2**

**[30 Marks]**

**Read the following case study carefully and answer all the questions given at the end of the case.**

MPO Fenêtres

MPO Fenêtres (Menuiserie Plastique de l'Ouest) was one of the first French companies in the PVC/carpentry sector to offer a customized service. However, at that time, in France, very little was known about PVC, carpentry and double-glazing technology: these markets were still in their infancy. It took about ten years, and two oil crises (in 1974 and especially in 1979) for the PVC window market to really take off. The commercial policy of EDF (the French public energy provider) at that time favoured the development of this product, encouraging investors to push for "all electric" installations, which would, according to the manufacturer provider, require better insulation of public buildings to reduce heat loss.

Despite MPO Fenêtres's financial losses since the creation of the company in 1978, the managers decided to invest in new office and production buildings. From 1970 to 1997, MPO Fenêtres's products were rather basic. Two new product ranges were then offered by the company: a range of high quality windows made of aluminium and wood (1997) and windows featuring «+ super heat», with an improved insulation value, made of aluminum with a thermal break (2007). These additions to its product range were introduced in line with the company's desire to widen its target market. These two new product categories now account for 10% of the company's turnover.

MPO Fenêtres initially specialized in public and collective markets (professional/ major accounts, government, schools, municipalities and other communities). However, from 1995 onwards it developed its sales to individual consumers. The public market today accounts for about 60% of the company's turnover, while the (still growing) consumers' market accounts for the remaining 40%. There are 200 employees working for the company, and turnover is over €35 million (source: Internal figures 2010). Significant growth has occurred over the last decade. The



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company is constantly on the lookout for technical and technological innovations, both of which are well represented in its range of low thermal coefficient products. Further the high requirements of the company in terms of the quality of materials, assembly, and installation exceed the market standard. This allows the company to offer its customers products at the forefront of innovation, a key success factor in this industry. Incidentally, this is one of the four founding values of the company, together with perfectionism (the aim to do the best possible job), cheerfulness within the company, and honesty with all company's stakeholders (both employees and customers).

***Sources: Extracted from Feuilletage cases***

- a) Assume that MPO Fenêtres conducts a situational analysis as part of its marketing planning process. Discuss the different parts of the situational analysis that MPO Fenêtres will go through. **(15 Marks)**
- b) Using the product concept, discuss the five levels used to describe a typical product sold by companies such as MPO Fenêtres. **(15 Marks)**



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**QUESTION 3**

**[30 Marks]**

**Read the following case study carefully and answer all the questions given at the end of the case.**

It was early 2015, and Sudevan Manickan (Sudevan), Head of Business Planning and Analysis at Godrej Appliances Division (GAD), was excited to receive the letter of appreciation and an invitation for the annual event where he and his team would be acknowledged for their achievements in front of the Business Executive Committee. He had a sense of satisfaction as he remembered the journey leading up to the execution of the new channel strategy. Competition from MNCs, the proliferation of products, consumers' changing preferences, uncertain demand due to seasonal effects, and the rise of new channels in the digital arena had resulted in a complete overhaul of the channel strategy at GAD. Sudevan had spearheaded the initiative over the last three years and implemented the revised strategy by experimenting with innovative ideas. The event would be attended by board members, top management and all functional heads. He was contemplating his speech as he wanted to utilize the occasion to lay down his plans for future scope of improvements in the company's channel strategy. He was aware of digital marketing, and its potential. He wanted to leverage the digital platforms such as smartphones and social media to stay in touch with customers throughout their decision and purchase journey.

Source: <http://www.etcases.com/godrej-appliances-division-channel-management.html>

- a) Explain how product characteristics would influence Godrej Appliances Division's selection of distribution channel **(10 Marks)**
- b) Discuss the activities of physical distribution that Godrej Appliances Division should consider when moving its products to intermediaries and final buyers. **(10 Marks)**
- c) One of the key factors for success in marketing is emphasis on consumers' needs. Briefly explain how consumer orientation would apply to Godrej Appliances Division **(10 marks)**

**END OF EXAMINATION**