(CBSGS)

(3 Hours) **Total marks: 60**

Note:

1. Section I: Question No. 1 is Compulsory and carries 20 marks.
2. Section II: Attempt any four out of the remaining six Questions of 10 marks each
3. Within each question, attempt any two out of three sub – questions, of 5 marks each.
4. Start the answers for each question on a fresh page
5. Support your answers with suitable examples

Section I

The FMCG OR Fast Moving Consumer Goods industry is the fourth largest sector of Indian Economy with an estimated market size of around $49billionor2.5% of India's GDP. FMCG goods, popularly known as consumer packaged goods, include all consumables (other than groceries/pulses) that people buy at regular intervals.

Most common household items including toilet soaps, detergents, shampoos, toothpaste, shaving products, shoe polish, packaged foodstuff, house hold accessories and certain electronic goods belong to this category. The Indian FMCG sector is highly segmented with the presence of some major players & many minor players. Of the top 100 brands, 62 are owned by MNC, while the rest are owned by Indian Companies.

Patanjali Ayurved Ltd (PAL), promoted by yoga guru Baba Ramdev, along with his associate, Acharya Balkrishna, an Ayurveda practitioner, in 2006. PAL recorded gross revenues of 2,500 crore (around $380 million USD) in fiscal 2015, business strategists and journalists went into a tizzy. While Ramdev focused on yoga, Balkrishna developed Ayurveda medicines. Gradually, PAL started manufacturing food items and cosmetics, and today, has its headquarters and manufacturing unit at the 100-acre Patanjali Food and Herbal Park at Haridwar, Uttarakhand, employing 6,500 people.

The gross revenue figures for FY15, ₹2,500, were no flash in the pan. PAL had registered turnovers of ₹1,200 crore in FY 14, ₹850 crore in FY13, and ₹450 crore in FY12, according to figures from the Registrar of Companies quoted by websites. The 2015 figure compares with Emami's ₹2,217 crore and Jyothy Laboratories' ₹1,481 crore (much older companies, founded in 1974 and 1983, respectively). They probably know "business plan" by some other term, because PAL certainly has a clear holding pattern, a well-developed supply chain, and a sagacious product-development process. But yes, true to his words, Ramdev has no stake, and Balkrishna holds 92 percent of the company, with the rest in the hands of a Scotland-based NRI couple Sarwan and Sunita Poddar. PAL has a three-tier distribution system consisting of clinics, wellness centres & non-medicine outlets to retail 800 products. The company also runs an ecommerce portal that sells a wide range of products from hair cleansers to "hing peda."

It has distribution agreements with Reliance and the Future Group and a product development arrangement with the Defence Research Development Organisation (DRDO) for food and health supplements. PAL even has an HR policy that aims at hiring executives from rivals. The mix of spiritualism and traditional Indian therapy proved a resounding success. When "Baba" launched PAL, it already had a credible brand ambassador-Ramdev himself. The one lakh free yoga classes conducted by the Yogpeeth convinced people that he was not in it

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for the money. PAL also benefited from a huge, readymade advertisement campaign—word-of-mouth publicity at camps by yoga students and trainers.

Besides, the "swadeshi" tag and the price advantage (products are reportedly priced 10-40 percent below their rivals) endeared the Patanjali brand name to Ramdev's admirers. The products themselves have an aura of purity about them for the Indian consumer as they are claimed to be "100 percent natural." The suggestion of medicinal content also helps promote them. PAL has reportedly engaged top advertising agencies such as Mudra to promote it among the youth, given that 50 percent of the population is under 25 and 65 percent under 35. It has cooked up products that appeal to youth, such as instant noodles.

Questions

1. How is Patanjali able to clock impressive sales growth figure at a time when other FMCG companies are finding the going difficult?
2. Prepare the SWOT analysis of Patanjali and evaluate its core competencies?
3. How in pricing and promotion strategies PAL is outdone with its business rivals?

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Section II

Q. 2) Answer any two (2) from below:

a. Discuss about product life cycle stages in detail?
b. What is new product? Explain the steps involved in new product development?
c. What are the forces affecting marketing in the micro environment?

Q. 3) Answer any two (2) from below:

a. Describe briefly key steps that need to be carried out in order to execute the marketing plan successfully.
b. What criteria should be fulfilled before you finalise a primary target market choice?
c. Discuss the importance of promotion mix in Marketing?

Q. 4) Answer any two (2) from below:

a. BCG matrix classifies products of an organisation in relation to cash generation and cash usage. Explain BCG matrix.
b. Value added brand is used by organisations to gain a competitive advantage. Explain value added brands and how they give a competitive advantage with relevant examples.
c. What are the components of marketing plan?

Q. 5) Answer any two (2) from below:

a. What are the differences among the cost leadership, differentiation, focused cost leadership?
b. How do the five forces of competition in an industry affect its profit potential? Explain?
c. Explain the diffusion process and the adoption process

Q. 6) Answer any two (2) from below:

a. What is value chain analysis? What does the firm gain when it successfully uses this tool?
b. What is strategic leadership? In what ways are top executives considered important resources for an organisation?
c. Discuss the two strategic planning process.

Q. 7) Answer any two (2) from below:

a. What are capabilities? How do firms create capabilities?
b. Explain GE matrix in detail?
c. Explain the factors influencing pricing decisions?
