

## **M.Com. - Part II**

### **Semester IV**

#### **Subject -: CASE STUDY**

##### **Objective of the paper -**

- 1) To study the application of theory of marketing management in practice.
- 2) To Develop the Problem solving capabilities.
- 3) To enhance the analytical ability.

##### **Meaning of the Case Study -**

'A chunk of reality brought to the classroom for further Analysis'

This paper will be divided in to two parts. Part -I for confirming theoretical background about case study it consists of -

- a) Meaning and definition of case study.
- b) Purpose of case study.
- c) Types of cases.
- d) Benefits and limitations of case study.
- e) Steps in solving case study
- f) Various approaches to case study
- g) Case study as a tool of marketing research.

Part - II will be based on practical cases on the topics related to issues based on marketing areas.

Part - I carry 25 marks and Part - II 75 marks.

In the examination some practical and contemporary cases and case lets based on marketing will be asked. Some cases based on applied area in marketing and other on theoretical bases. Following are some of the sample cases and case lets for reference.

## Case No. - 1

### CONSUMER RESEARCH ON HORLICKS

It's a brand that's been growing steadily over the years. And increasing the audience that it addresses as well. The new ad campaign of the Rs. 600 crore Horlicks brand is just hitting national networks and the message is clear, 'many things to many people. Although Horlicks features in the top 10 of most consumer surveys this is one of its highest ratings so far. Says Simons J. Scarf, managing director, Smith Kline Beecham Consumer Healthcare (SBCH), "We are delighted at the rating that Horlicks has got in the ET survey. We're obviously aware of the power of Horlicks through our closeness to consumers, but it is always nice to get independent acknowledgement of the fact."

The flagship of SBCH, Horlicks has been showing consistent annual value growth of about 25 per cent in the last three years. And more is expected.

Which is why SBCH is busy setting up a Rs. 250 crore dedicated Horlicks facility at Sonapat, Haryana.

Invented in 1873 by James Horlicks, the brand has been available in India for 70 years. From being a drink taken only during convalescence the brand has repositioned itself since the seventies as a 'great family nourished'. Explains Scarf, "We have nurtured the equity of Horlicks carefully over the years and this has resulted in a unique relationship between the brand and millions of consumers across India".

In fact, the company's consumer research shows that consumers over time and experience have developed an emotional bonding with the brand. That's something they find more powerful than a rational bonding. Vibrancy has been maintained despite its mature age by avoiding complacency. Most big brands with huge equities tend to fall to the temptation of sitting tight. And that in turn can result in a brand losing relevance.

But Horlieks has taken a proactive stance. Explains R. Shyam Sundar, head of marketing — nutritional business, SBCH, "Our learning has been that if there is a big brand with a lot of equity and it does nothing new, someone else usually comes in and segments the market. If instead, the market leader is the one to segment, he can gain the most". So before anyone else could, the company stake out some new turf. Which is why Horlicks has come out with new products such as Junior Horlicks, Mother's Horlicks and Horlicks Biscuits? The idea here is to extend the core values to new formats and benefits.

And that in turn grows the market. Take biscuits. They've meant a different distribution and marketing technique — allowing access to the brand at a low price. And that gives the brand a means to get into smaller outlets — including the corner pan-bidi shop where it never could have been before. Even if products like Junior Horlicks cannibalize the mother brand, at least 80 percent of its users are new incremental consumers.

### **CASE QUESTIONS**

1. Discuss the role of brand research in marketing.
2. Discuss the objectives of brand research.

## **CASE No - 2 RAMA STORE**

In 2005, Rama Store not only had a great year, it also swept the top places at Punjabi Bagh, winning each of the first ten places except ninth. Comfortable in the fact that the company had an attractive product, the president of Rama Store decided to go directly to the customer. The idea, instead of concentrating company efforts and resources on improving the relations with the dealers, was to emphasis improving relations with the ultimate consumer. To implement this tactic, the plan was to eliminate the dealer completely and replace him or her with agents.

To say the plan did not work well is an understatement. Rama Store distributors, who had represented it in India, initiated legal action against the Store in four states. All 323 Rama Store — Audio dealers felt betrayed by the elimination of their franchises. Although they were offered the opportunity to become agents, they were so opposed that they sued Rama Store. The law suits by these dealers sought damages exceeding 50 core. Rama Store top management decided that perhaps their original distribution system wasn't so bad after all.

### **QUESTIONS**

1. Identify and discuss the channel alternatives that were available to Rama Store.
2. Do you think that Rama Store failed to properly evaluate the existing distributors? Give your reasons.
3. Design a research methodology for conducting research for Rama Store.

**CASE No. - 3**  
**ESTABLISHING A NEW HOTEL**

A three star hotel located in Delhi has been experiencing a decline in its occupancy during the past one-year. The management has recently reviewed the problem and is seriously considering to attract business executives as also to provide adequate facilities for holding business conferences, workshops etc.

Since this would involve some renovation of the existing building in addition to new furniture and equipment, the management wants to be cautious in undertaking such expenditure.

Since its inception several years ago, the hotel has been maintaining a complete record of its guests. When a person visits the hotel for the first time, details such as his name, age, sex, permanent address, purpose of visit and duration of stay along with dates are entered on a card.

The guest file has expanded tremendously containing over 8,000 cards. The management wants to make use of this readily available information along with any additional information necessary in this regard.

**QUESTIONS**

1. Specify the statistical universe implicit in the management's choice of the sample.
2. If a sample is to be drawn from the guest file, describe the procedure you would adopt in each of the following sample designs.
  - (a) Simple random sampling.
  - (b) Systematic random sampling.
  - (c) Stratified random sampling.
  - (d) Cluster sampling.
3. Which one of the sample designs would you select and why?
4. Specify the nature of data that you would collect from the sample respondents?

**CASE No - 4**  
**APPLE INDIA LIMITED**

M/s Apple India Limited was launching its Apple juice with extraordinary caution. It first undertook a year-and-a-half long test marketing run in Bangalore and then followed it up by a test market launch in May 2006. Meanwhile making up for lost time, the company in just six months, launched its Apple Juice Hyderabad.

The ready-to-use juice is made from fresh apples. The light brown colour and flavour are 'natural', as the product does not contain artificial colour or preservatives. Priced at Rs. 10 for a 200 gm tetra pack, it is currently available in Andhra Pradesh.

The product has a shelf life of one year, but once opened, this has to be stored under refrigeration and used within six days. 'The concept of juice is the same as for both, lemon and mango juice" says Priya Kumar, Product Manager.

Though lemon is used in fairly large quantities in the Southern parts of India, housewives in other parts of India, under pressure of time, have also stated substituting it for soft drinks. The company's pre-launch research also revealed that the respondents (working women and housewives) were positive in product attributes like ease of use, storage and time saving.

**QUESTIONS**

It you had undertaken the pre-launch survey for Apple Juice in A.P.:

- (i) What would have been your research design?
- (ii) What methods of data collection would have been used by you?
- (iii) What would have been the questionnaire used by you for the survey?

**CASE No. - 5**  
**CUSTOMER RESEARCH ON MAGNETIC DISC DRIVES**

Rotomatic Electronics was a small company with product line in accessories or medium to large computers. The company specialized in manufacture and sale of magnetic disc drives. The product being a complex one required extensive electric controls. As the product required high quality control it has high unit cost and was manufactured to meet customer satisfaction.

Rotomatic's business in computer industry was highly competitive. Many larger companies manufactured their own magnetic disc drives and also there were quite a large number of small manufacturers who had entered in the field recently. Rotomatics disc drives offered large capacity and high speed and could interface with any existing compute/s. The company could expand its operations due to attractive features and flexibility.

However, as the company was not occupying leadership position in the market, the company had to constantly come up with innovations to increase sales. In order to attain more corporate ability the management decided to diversify into new product areas. They asked the R&D department to design the single board efficient computer. As a result of six months hard efforts the R&D department created the prototype.

**QUESTION**

1. You are requested to suggest the alternatives to reach the customers. Also suggest the ways and means of positioning the new product in a highly competitive market.

**CASE No. - 6**  
**"DYE - GEN" COMPANY**

"Dye-Gen" is a medium size, fast growing company. It manufactures mainly the black shade. Their sales manager was impressed by sudden rise in sale of black hair dye in a rural sales area. For last ten years, the demand for black hair dye had been steady and evenly spread over the year. Sales record showed a spurt in the demand in the last year, in one quarter of the year, in that area. Same thing is happening this year also. Market intelligence has come out with surprising facts:

- (a) This rural area is particularly well known for the buffalo breeding and trading.
- (b) Sudden rise in the demand for black hair dye in a particular quarter of the year, coincides with the cattle trading season.
- (c) Buffalo breeders liberally apply the dye on the buffalo's skin, which then shines, looks black and attractive to the prospective buyers.

The Sales manager is happy because the overall sales figures are going up. But the marketing manager is worried, about the 'human' market reaction, if the so far little known 'animal' application becomes public-knowledge.

**Questions:**

What is your advice to

- a) The sales manager and
- b) The marketing manager.

## **CASE No. - 7**

### **A SCHEME FOR MARKET SEGMENTATION**

As a Marketing Manager of Shoes manufacturing company that has recently entered into technology tie-up with a famous U.S. based company, you faced with a dilemma. Whether to produce a 'robust-cheap-sensible' sports shoe or to produce that variety, which is 'trendy-aesthetic-though expensive'. Your company's Managing Director, himself a M.B.A. (with Marketing elective) has asked you to prepare a scheme for market segmentation before settling for a product design. Here is a chance to prove your marketing talent. Submit your detailed write-up.

## **CASE No. - 8**

### **SUPER LUGGAGE LIMITED**

'Super Luggage Ltd.', a famous bags and baggages manufacturing company, is facing a serious set-back in the market. Reason for this is seen to be a very strong, dealer-promotion scheme, employed by 'Hawana Luggage Ltd.' a rival company. This company is even offering a week-long trip to Singapore for two, to the dealers, if they sell 30,00.0 pieces in a year.

M/s. 'Super Luggage Ltd.' how always stressed on giving discount to actual consumer, besides offering them the superior product and service. Now they do not know how to handle the aggressive promotion of their rival firm?

The company appoints you to offer sound marketing advice will special references to the promotion policy.

## CASE No. - 9

### THE PACKING CASE

A certain electrode manufacturing company used to buy approximately 400,000 pcs. Packing cases in a year and the specification provided for  $\frac{5''}{8}$  thickness of the plank. During the annual contract suggestions were invited from the supplier with a view to economizing invited from the supplier with a view to economizing on the cost.

One supplier came with the suggestion that by reducing the thickness from  $\frac{5''}{8}$  which was a non-standard size to  $\frac{1''}{2}$ , the saving per case would be approximately 50 p. This was implemented with the help of the technical personnel concerned and resulted in a saving of nearly two to three lakhs of rupees per year on single item.

#### Some Issues:

1. What could be the cause of thinking of a change in packing cases?
2. How long might this indirect unknown loss have been carried on?
3. Does it affect the
  - (a) Profitability of the company
  - (b) Price at which they can market the product
  - (c) Marketing volume and hence volume of turnover
  - (d) Again, overall profitability to a higher volume ?
4. What is the possibility that this process would be extended to other packing as well as other raw material items ?
5. What should be done to ensure that no such unknown loss happened in future ?
6. How to curtail the loss to a minimum while effective action, took place ?

### **CASE No. - 10**

#### **LIGHTENING COURIER SERVICES MARKET PLAN**

'Lightening Courier Services' is the name of proposed venture, of a fleet owner Mr. Speedy. He is a prosperous transport businessman of 15 years standing. However, Mr. Speedy has very knowledge about courier service marketing. He seeks your advice on the preparation of a plan which should be effective on national level. The present fleet of 1000 trucks will be the strength on which he wants to capitalize.

Prepare a write-up suggesting to him an appropriate market plan keeping the fundamentals of services marketing in view.

### **CASE No. - 11**

#### **AN URBAN CONSUMER CO-OPERATIVE STORE MARKETING MANAGER**

An Urban Consumer Cooperative Store is functioning for last five years in 'Kirana' goods. The membership is now about 60,000 strong. The store operates through its four branches situated at prominent locations. The store has now decided to enter into the field of marketing the notebooks for school and college students. Notebook manufacturers are willing to supply as many notebooks as the store may demand.

Write a note on the capacity and context of marketing manager about marketing strategies that the 'Cooperative Store' should adopt.