



**UNIVERSITY OF RUHUNA**

**FACULTY OF MANAGEMENT AND FINANCE**

**Bachelor of Business Administration Degree Programme 4000 Level Semester I  
Examination (February/ March 2021)**

**Academic Year 2020/2021**

**MKT 4152 – Strategic Marketing**

**Duration: Three hours**

**The Question Paper contains Five (05) questions.**

**Answer only Four (04) questions including Question One (01).**

1. Read the case and answer the questions given below.

“Green M&M” is a landmark movement in M&M Company, which introduced in 2020, was a remarkable strategy which attracted a larger number of eco-friendly and health conscious customers, providing the company with an additional income of € 2billion. During the inauguration, Mr. Thomas, Chief R&D Officer pointed out that, “It’s a secular trend we’re seeing as the world becomes a more complicated place. In that context, we believe that we will need a more sophisticated and more complex portfolio to win in the future. We are going after ‘Green M&M’ with loving beauty and planet particularly attractive to the highly coveted millennial cohort and the natural segment.”

This strategic plan primarily consisted of a ‘Natural’ line of beauty care, hair care, and nutritional supplements, and growing a healthy food range for the existing product lines. The introduced range of products included the item’s target consumer group of women between the ages of 18 and 35. For example, the food category has introduced value-added natural supplements that have prepared using the very best organic ingredients to create wholesome & nourishing for Youngers which are grown naturally on dedicated organic farms.

M&M is UK based company which is successfully functioning in the European market for nearly 03 decades, with a healthy retail chain. Since, 2000, it has been the United Kingdom's most profitable retailer. In the third quarter of 2017, it had a 32% share of the UK grocery market, and a gross turnover for the full year 2017/2018 was reported € 60.2 billion with a growth of 11.5%. In 2017 it has over 3000 stores all over Europe and it recorded that over €1 in every € 5 of UK retail sales was spent in M&M. The company began specializing in food, when examining the company history, it was evident that in the first half of the 90th decade, M&M Company had adopted an efficient strategy that had a direct impact on the product line, creating a series of fundamental changes including stocked specialty items, value price line of product, and Asian food ranges. Later expands into areas such as clothing, consumer electronics, financial service, and customer telecoms. In the middle 20s, the company launched M&M.com. Today it has the world's biggest internet grocery retailing and a wider range of services from telecom service, financial service to extra services offered. The key to the success and growth of the company lies in its change of strategy and image. Firstly, it had a difficult time appealing to all segments of the market – lower, middle and upper classes with a “Best offer” strategy. This was on a plain vision of selling high-quality goods at a reasonable price. M&M manage to achieve this by offering four different levels of its own-brand products. Such as the ‘Finest’ range of premium products was introduced in 1999. ‘Bit Fit’ range was introduced to appeal to price-conscious customers, which launched in 2006 that helped to successfully meet the challenges of economic recession. M&M's ‘Organic’ range introduced in 2013, was based on the newly introduces ‘Green M&M, strategy. Those strategies attracted over 1 million new customers from 1995 to 2000 who helped to increase the revenue and market share of the company until M&M became a market leader in grocery retailing by bypassing the ASDA in 2001.

Introducing a loyalty card called ‘For You’ by M&M gives an initiative that would make it a world-class example for how to build lasting relationships with customers. It marked a turning point in the company's history, on its way to success. The loyalty card became popular among a number of customers has issued a considerable number during the very first year of its launch. It not only offers discounts and special offers to individual shoppers, but also acted as a powerful data-gathering tool. Thereby, the company made use of a larger database collected from the loyalty cardholders for the subsequent decision-making process of the company. Tracking loyalty card records supported the company focused on uncovering product price

03. (a) “A sub market is a tiny fraction of overall market where as smaller and specialist players may only operate.” Explain main three dimensions that can be used to identify the sub markets with appropriate examples.

(Marks 09)

(b) Brand awareness is a key in promoting a product. Briefly explain how ‘Brand Awareness’ can provide competitive advantages for a product.

(Marks 06)

(Total: 15 marks).

04.

(a) Briefly explain how Core Assets and Competencies of a firm can support sustainable competitive advantages.

(Marks 05)

(b) Differentiate ‘Strategic Commitment Philosophy’ from ‘Strategic opportunism Philosophy’.

(Marks 05)

(c) “Most successful strategies represent an integration of several value propositions. In addition, a superior and more relevant value proposition is often found by broadening the perspective, beyond product attributes and benefits.” Briefly explain few (at least 3) such alternative value propositions with relevant examples.

(Marks 05)

(Total: 15 marks).

05. “Business needs induce vitality to an organization by providing challenges and rewards.”

Recognize four (4) alternative growth strategies and critically evaluate the selected four strategies.

(Total: 15 marks)

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elasticity as well as unmet needs. It's helped to save over €700 million in advertising M&M uses its customer data to determine the product line such as adult sugar-free candies range and nature of the merchandise for each store. Over the decades M&M is using a range of innovative schemes, managed to develop its brand name, and grow to become the leading supermarket chain.

01. (a) "Developing a strategy in a dynamic market logically starts with external analysis."  
What is meant by external analysis and explain in the context of M&M Company.

(Marks 04)

- (b) "In most strategic marketing planning contexts, the first logical step is to analyze the customers." Explain main three scopes that can be considered to analyze the customers with related to "M&M" company.

(Marks 09)

- (c) Discuss four elements of Internal Analysis in relation to M&M case.

(Marks12)

(Total: 25 marks).

02. (a) "Numerous Industries contain many more competitors than can be analyzed individually. The conceptualization of strategic groups can make the process of competitor analysis more manageable."

Explain strategic group approach of competitor analysis by using appropriate examples.

(Marks 05)

- (b) Explain five factors that can be considered to analyze the potential competitors.

(Marks 05)

- (c) Distinguish the concepts of "Incremental Innovation", "Substantial Innovation", and "Transformational Innovation".

(Marks 05)

(Total: 15 marks).