

(3 Hours)

[Total Marks : 60

- N.B. : (1) Section I is compulsory and carries 20 marks.
(2) Answer any four questions from Section II of 10 marks each.
(3) Write both sections in one answer book.

Section I

Appended below is a brief on a recent press release on the Future Group acquiring a 10 year brand license to promote "Hitkari" - a one time leading crockery brand:

Future Group buys rights to relaunch 'Hitkari' crockery
{May 24, 2012, 08.08AM IST ET Bureau - Writankar Mukherjee}

Future Group has acquired the brand rights of bone china crockery brand Hitkari and will relaunch the once-popular brand in the mass-to-premium segment. "The Hitkari brand still has a lot of residual equity among consumers, so we found enormous value in the deal," says Santosh Desai, CEO of Future Brands, which sealed the deal.

Future has bought brand license for 10 years and will pay royalty to the promoters of Hitkari Potteries. The target is to grow sales to Rs 50 crore by 2015 and Rs 100 crore in five years. Hitkari was a popular crockery brand till 2000, when it had peak sales of about Rs 60-70 crore. The brand had a premium positioning and was aspirational among consumers.

But it slowly lost ground to competitors like La Opala and Corelle, and the business was shut down due to labour problem some 10 years back. Ajay Kapoor, MD of Hitkari Potteries says the partnership with Future Group will once again make Hitkari a dominant player in crockery. "Future Group has an existing distribution network and caters to consumers with one of the highest purchasing power," he says. Established crockery brands don't see much threat from Hitkari. "Future Group can see some success by selling the Hitkari products from its own stores, but it will be difficult to compete in the general trade," says La Opala RG Managing Director Sushil Jhunjhunwala.

Company History - Hitkari China Limited:

1987 - The Company, was originally incorporated as a Private Ltd. company on 25th June, under the name and style of Hitkan China Pvt. Ltd. Subsequently, the company was converted into a public Ltd. company on 14th June' 1994 and a fresh Certificate of incorporation was obtained from the Registrar of Companies, National Capital Territory of Delhi and Haryana at New Delhi on 16th August 1994 and the name was changed to "Hitkari China Ltd."

- The Company has been promoted by Mr. Ved Kapur, Mr. K.P. Kapur, and Hitkari Potteries Limited and is a member of "Hitkari Group," well known for potteries.

- The company was mainly an export trading company engaged in the export of Bone China tableware products to U.S.A. The company had received export awards from Chemicals & Allied Products Export Promotion Council for the year 1989-90 and 1990-91.

- In view of the expanding domestic as well as overseas markets, the company decided to manufacture tableware products of fine Bone China and vitreous ware.

- The Company has also set up its plastic division which is manufacturing five layer co-extruded multi-layer plastic films at Parwanoo with an installed capacity of 660 MT per annum working on three shift basis.

1989 - The Company has proposed to expand the existing installed capacity from 1250 M.T. Per annum to 2500 M.T. per annum to manufacture fine Bone China tableware products, which would double the capacity.

- The Company proposed to install equipment for improving the quality of the china clay body, and improving the recovery factor resulting in subsequent reduction of cost of production.

- The Company proposed to expand its product range with major thrust in the export market.

- The Company has proposed to set up vendors for manufacturing the Bone China Holloware items such as mugs and cup & saucers.

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1994 - The Company entered into an agreement with HPL for lease of the manufacturing unit, the company has been also permitted to use the marketing network of HPL including dealers, distributors and C&F agents based all over India. The Company entered into an agreement with Hitkari Bros of Delhi on 31st July, for the use of 'Hitkari' Brand name for a period of 10 years.
- The Company has an established marketing network with strong Brand equity.

1995 - For the proposed expansion of Bone-China tableware manufacturing facility, the company proposed to acquire clay making plant, glazing & forming machine, kilns & decoration machinery etc.

- The Company has an 'In-house Design Development Cell' which is continuously developing new decoration prints.

- The Company has set up 2 franchise Stores in Delhi and Bangalore and would be further expanding this concept in other cities, all over India.

- Public Issue of 32,50,000 No. of Equity Shares of Rs 10/- each for cash at a premium of Rs 20/- per share aggregating Rs 975 lacs.

- The company entered the capital market on 12th December, with a Public Issue of 40,00,000 Equity Shares of Rs.10.00 each at a premium of Rs.20.00 per share aggregating Rs.1,200,00 lakhs to finance the expansion project.

1998 - The operations in the factory at Faridabad were suspended w.e.f. 2nd January, which is still continuing. This has resulted in loss of production and fall in the sales.

Additional Information:

Hitkari Ceramics Private Limited has an impeccable track record of manufacturing and marketing superior quality bone china crockery products for the last so many years. Hospitality sector which involves luxury hotels, restaurants, banquets, event management groups, aviation sector, tourism sector, etc is our main area of focus.

Our crockery items and fancy gift products find place for the connoisseur in famous luxury hotels and resorts in India and abroad. At the domestic front our quality bone china crockery products are a matter of prestige for any household. We offer daily use multi-utility crockery products. At Hitkari customer satisfaction is our paramount endeavour to excel.

Our range of business activity is divided as below:

• HOSPITALITY SECTOR	• HOUSEHOLD SECTOR	• PRODUCT RANGE
• Table ware range	• Dinner Set	Table ware range
• Pearl Collection	• Tea Set	Corporate range
	• Lemon Set	Microwave range
	• Pudding Set	Gold collection
	• Soup Set	Pearl collection
		Platinum collection
		Mughal collection
		Maharaja collection

Some of Hitkari's more famous products include:

- Mughal-E-Azam Dinner Set (176 pieces); Mughal-E-Azam Tea Set (23 pieces)
- Other Dinner Sets in variations of 95, 73, 51, 36, 32, 23 & 21 pieces
- Jodha Akbar Tea Set (27 pieces)
- Coffee Set (7 pieces)
- Andaz Tea & Coffee Set (30 pieces)
- Cup & Saucer Set with spoons (18 pieces) ; Cup & Saucer Set without spoons (12 pieces)
- Maharaja Cup & Saucer Set (Square) without spoons (12 pieces)
- Coffee Mug Available in 2 variants: (12 pieces) & (6 pieces)
- Breakfast Set (14 pieces)

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PROMOTERS AND THEIR BACKGROUND

Hitkari Industries Limited is promoted by Hitkari Potteries Ltd., Hitkari China Ltd., and Racold Appliances Ltd., alongwith Mr Ved Kapur, Mr Jaiwant Bery, Mr Ajay Kapur.

Mr. Ved Kapur has extensive business experience, spreading over four decades. He started his business career as far back in 1948 with Hitkari Motors, which acted as an agent for Ford Motor Company of Canada, till 1952. He later joined the firm of Hitkari Brothers, importers of Bicycle and Gramophones etc., which later diversified into manufacture and assembling of bicycles. In 1954, he started Bharat Electricals which was an agency for Electrical appliances and electrical contracts. In 1966, Hitkari Brothers promoted a company in the name and style of Hitkari Potteries Ltd. for manufacture of Bone China Crockery and Plastic films. Mr. Ved Kapur was also the President of All India Potteries Manufacturers association for two terms during 1987 to 1988 and 1988 to 1989.

Mr. Jaiwant Bery, is an M.B.A. from I.I.M., Bangalore. He had earlier worked as Executive-Exports sales with M/s Flabone Chesterman (U.K.), a unit manufacturing measuring tapes etc. Since 1985 he has been looking after production and quality control of Hitkari Potteries Ltd., a unit manufacturing Crockery and plastic films. In 1989, he went to Transpack, New Zealand to get acquainted with the technology for manufacture of five layer films.

Mr. Ajay Kapur is an M.B.A. from George Washington University, U.S.A. After completing his studies he joined M/s Flexipack, Parwanoo, a unit for printing of Multi-layer packing film, laminates, Plastic pouches etc. and since 1993 he has been looking after the day to day affairs of Hitkari Potteries Ltd.

(Adapted from various secondary sources)

You are requested to peruse through the press note and information on Hitkari Potteries and as Vice President – Marketing at the Future Group answer the below questions:

1. Explain in detail with your rationale for the suggested Brand Strategy. Identify the pros and cons of your Brand Strategy.
2. Identify and elaborate in detail key marketing strategies that you as the new licensed Owner would adopt to regain the category leader position
3. Suggest any unconventional approach you may wish to adopt in the areas of the Marketing Mix which would help you attain the category leader position.

Section II

1. PLC helps in strategising as any product / brand progresses in the market. Explain strategic changes that need to be adopted in the Introduction & Growth stage of the PLC for a brand of your choice in the Men's grooming category.

2. STDP is seen as the 4 pillars of Marketing. If yes, please explain the concept. As a consultant, undertake the STDP exercise to help develop strategies for any of the leading telecom service provider, now keen on launching aggressively "Data" usage over the ever popular "Voice" usage.

3. BCG is a model that helps any organisation review it's product / business portfolio. Do you agree? If so, explain the BCG matrix with the help of an example of a company of your choice from the Consumer Durable Electronic Products category

4. Explain in detail Michael Porter's 5 force model of industry attractiveness and how the recent JV between TATA & Singapore Airlines SIA can use the same to enter the Indian Aviation market.

5. As a Consultant you have been identified by the board of Apna Bazar to help grow their overall business by 100% over the next two years. Critically examine the current status of Apna Bazar using SWOT and recommend strategies that would help them achieve their set goal.

6. Write Short notes on any TWO with appropriate examples ONLY:

- a) Focus – Michael Porter Generic Forces
- b) Diversification Strategy
- c) Digital Media and it's role in today's environment
- d) Integrated Growth Strategies
- e) Explain Challenger & Follower Strategies