

## Birla Institute of Technology and Science, Pilani

**First Semester 2023-24**  
**MPBA G503**  
**Date: - 10/10/2023**

**Mid Term Exam. (OB)**  
**Marketing Management**  
**M.Marks:25**

**Q1.** Technology for an all-weather torch which is both solar and hand-powered and also uses LED's for a two-fold efficiency in lighting compared to conventional products is being acquired by an Indian company for manufacturing and marketing in both rural and urban markets with two variants.

As a marketing advisor to the company estimate the demand for the product, design its Marketing Strategy and formulate Marketing-Mix in some detail based on the market characteristics and media reach respectively.

Some information for the product/market is given below:-

-The unit variable cost for the torch is Rs. 85 and the total fixed cost for a production run up to one million is Rs. 115 million and thereafter it increases by 50% for every additional one million run of torch production.

In the market the dry-cell based torches are priced between (Rs.45 to Rs.175) and the rechargeable ones between (Rs. 250 to Rs.750 which is inclusive of the battery). Distribution margins range between 20% to 40% (higher margin for the low priced local brands and the low margin for national brands) for dry-cell based torches and between 50% to 100% for the rechargeable ones (Higher margin for high priced international brands and low margin for national brands).

Also the investors would require a minimum return of 25% on their investment.

**Note :- All the data must be grounded but where the information may not be available the student can make informed judgment about assumptions which must then be explicitly stated.**

(12,,9,4)