

E-NEWS LETTER

Faculty of Management Science

LATEST MANAGEMENT UPDATES

Editorial Board

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Marketing mix of Nescafe

No matter how effective the packaging and promotion of a product, the company will find it very challenging to market a product that doesn't satisfy a consumer need. Nescafe owes much of its success to a strong marketing mix. Nescafe is a brand of instant coffee made by Nestle. The Nescafe marketing mix shows that Nescafe is a strong product with global appeal. Let's look at the 4P's that make Nescafe's marketing mix a success.

Product in the marketing mix of Nescafe.

Nestle is the parent company of Nescafe and it is one of the most successful companies in the world and is well known for offering a variety of products, one of them being Nescafe. Nescafe has developed a lot over the years and is touted as the market leader in the instant coffee industry.

The history of Nescafe can be traced as far back as 1930 when its coffee specialist Max Mergenthaler and his team were asked to produce high quality coffee that could be prepared by simply adding hot water, yet retain its natural aroma. It then took nearly 8 years of research in their Swiss laboratories until they finally managed to get the solution in 1938.

The final product was called Nescafe, a portmanteau of the names Nestle and Café. However, the instant coffee did not become an instant success in Europe due to World War II. It was immediately exported to other countries like Great Britain, France and the U.S.A. It later on became a huge success in the United States and its fame spread further to Europe. By 1950's people was flocking coffee shops for the product.

Later in 1965, Nescafe introduced its Gold Blend version which was a huge improvement on the original Nescafe which used carbon-dioxide as a preservative. The Gold Blend brand was made of freeze-dried soluble coffee granules. And in the 1960, another brand called Taster's choice was unveiled. Over the years, the company has produced a number of brands under the umbrella name, Nescafe.

Promotion in the marketing mix of Nescafe

Nestle has used a number of advertising strategies throughout the years to make the product Nescafe appealing. In particular, it has used persuasive advertising, with an emotional aspect, to make it an instant success. Nestle runs a number of advertisements and TV commercials focused towards making it a household premium brand. Another powerful tool is the widely known 'Nescafe tune' which is one of the best advertising campaigns which was launched about 20 years ago.

The continuous advertising with smart promotions has given Nescafe a strong position in the instant coffee industry. Nescafe also focuses on producing high quality products and experiments with a lot of variants. It recently introduced the Nestea which was instant tea, looking at the potential consumption of tea loving customers. Moreover, Nestle also uses its other powerful products like Maggi and Kitkat to strongly push for a higher market share. In India, Nescafe has signed on Deepika Padukone as the brand ambassador and has introduced many ads including Purab Kohli and Karan Johar to push the Nescafe coffee brand.

A significant portion of Nescafe's promotion strategy involves the use of

- Advertising Campaigns
- Newspapers
- Internet
- Television
- Public relation activity etc.

Another promotion strategy is excellent branding that is used to build high brand value for end customers. Besides some packaging and product changes, Nescafé logotype has always remained the same since its origin.

Price in the Marketing mix of Nescafe.

Nestle has adopted the strategy of non-price competition. It ensures that traders don't take advantage and hike prices by maintaining uniform pricing for all its products, including Nescafé. It offers generous discounts to its distributors. Different Nescafé brands come with different prices depending on how they are

made. Nescafe has estimated other cost factors such as labor and considered mass production in order to reduce the price and make it more affordable in India. However, being one of the premium brands it enjoys a high stature and acceptability at a relatively high cost than its nearest competitors.

Place in the marketing mix of Nescafe

Nestle company follows the FMCG strategy of distribution. This is quite effective because it involves breaking the bulk in a typical distribution channel. The two channels are-

1. Manufacturing-C&F agent-Distributors-Retailers
2. Manufacturing-Bulk buyers-Consumers

Actually, the above distribution channels are typical of any FMCG company. However, Nestle enjoys a stronger distribution network and sales network than most because of the pull from the market. In order to encourage sales, Nestle frequently offers bulk buyers trade discounts to keep the sales high. The company also uses two other famous products (Maggi and KitKat) to boost sales. For instance, when a merchant purchases one product, he/she might get a discount for purchasing an additional product. The only challenge for Nescafe is that it faces competition from other chocolate companies like BRU and Cadbury.

Source: <http://www.marketing91.com/marketing-mix-nescafe/>

Mr. S.K. Suman
Asst. Professor



STUDENT ARENA

Facts about Earth

The Earth's rotation is gradually slowing.

This deceleration is happening almost imperceptibly, at approximately 17 milliseconds per hundred years, although the rate at which it occurs is not perfectly uniform. This has the effect of lengthening our days, but it happens so slowly that it could be as much as 140 million years before the length of a day will have increased to 25 hours.

The Earth was once believed to be the centre of the universe.

Due to the apparent movements of the Sun and planets in relation to their viewpoint, ancient scientists insisted that the Earth remained static, whilst other celestial bodies travelled in circular orbits around it. Eventually, the view that the Sun was at the centre of the universe was postulated by Copernicus, though this is also not the case.

Earth has a powerful magnetic field.

This phenomenon is caused by the nickel-iron core of the planet, coupled with its rapid rotation. This field protects the Earth from the effects of solar wind.

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Source: <http://space-facts.com/earth/>

Archit
MBA (Batch2015-17)

Analysis of Companies Amendment Bill, 2016

Affidavit in respect of Subscribers to Memorandum	Submission of declaration on incorporation instead of filing an Affidavit.
Intimation regarding Change in Registered Office to Registrar of Companies	The Bill proposes to increase the time-limit to 30 days from the date of change in address of the registered office of the Company.
Change in definition of small company	Definition is proposed to be amended: Paidup Capital from earlier Rs. 50 lakhs to now Rs. 10 crores. Turnover: from minimum of Rs. 2 crores and maximum of Rs. 20 crores is now proposed to be revised to a maximum of Rs. 100 crores.
Definition of Net Worth.	Instead of the current definition of Securities Premium Account only, it will now be "Securities

	Premium Account and debit or credit balance of profit and loss account”.
Deletion of provisions regarding restrictions on layers of investment companies.	Under the existing provisions a company was not allowed to make investment through not more than two layers of investment companies. The Bill proposes to remove the restriction.
Managerial remuneration	Proposed to do away with requirement of obtaining special resolution and approval of Central Govt. for payment of managerial remuneration in excess of prescribed limits of Schedule V. Inserts another rigour: Prior approval of bank or public financial institution or non-convertible debenture holder or secured creditor required, before taking approval from shareholders.
Relaxation in filing of charge forms	The Bill provides an opportunity for the company to apply to the authority to seek extension for filing of charge form if the filing is not made within 300 days and certain classes of charges are exempted

Source:

<https://novojuris.com/2016/03/28/analysis-of-companies-amendment-bill-2016/>

Abhishek Khandelwal
MBA (Batch 2016-18)

FACULTY ARENA

National Health Policy 2017

The Centre cleared the long-awaited National Health Policy 2017

The Centre cleared the long-awaited National Health Policy 2017, which promises to increase public health spending to 2.5% of GDP in a time-bound manner.

It also guarantees health care services to all Indian citizens, particularly the underprivileged.

Rights based activists said the government had fallen short of making health a fundamental right- a section that was removed from the final draft passed.

While the policy seeks to reorient and strengthen public health systems, it also looks afresh at strategic purchasing from the private sector and leveraging their strengths to achieve national health goals.

The government will pursue ambitious targets like reducing Under Five Mortality to 23 by 2025 and Maternal Mortality Ratio from current levels to 100 by 2020, and Infant Mortality Rate to 28 by 2019.

It also seeks to reduce neo-natal mortality to 16 and stillbirth rate to “single digit” by 2025. In September 2016, the Supreme Court had directed the Centre to finalise the crucial health policy.guaranteeing “assured health services to all”.

The policy has come after a gap of 15 years to address the current and emerging challenges necessitated by the changing socio-economic, technological and epidemiological landscape

As a crucial component, the NHP2017 proposes raising public health expenditure to 2.5% of the GDP in a time bound manner.

The Policy advocates a progressively incremental assurance-based approach but activists maintain that without a legal

consequence, guaranteeing health is an empty assurance.

Previous drafts of this policy proposed to make this a fundamental rights, failure to provide health would have legal consequences. Removing that section just makes this an empty promise.

Such assurances have been made umpteen times by different governments since 1980s. Further, while the policy promises to increase health spending to 2.5% of the GDP, it does not square up with the past three budgets of this government.

Source: The Hindu

Dr. Satish Chandra Pant
Asst. Professor

FMS HIGHLIGHTS

Participation in inter college competition-

BLAZE - On March 4, 2017 23 students of SRMSFMS MBA first year and second year participated in different events in BLAZE- the Annual Festival of SRMSIBS, Lucknow. FMS Dance group won the first prize in group dance competition.

SYNERGY- .



SYNERGY is annual fest of LBSIMT, Bareilly. On March 17, 2017 MBA students from

SRMSFMS participated in various events organized during SYNERGY and won many prizes. Students who won in different competitions are-

Poster Making- 1st Prize- Ashutosh Sahu, Priti Gangwar, Tripti Mishra

Marketing Games- 1st Prize- Sakshi Rastogi, Vaibhav Sharma, Nida Irfan, Akanksha Wadnwa

Extempore- 2nd prize- Indu Kanojia

Corporate Debate- 2nd prize- Abhishek Khandelwal, 3rd prize- Ankit Gangwar

Situational Role Play- 3rd prize- Bharti Sharma, Sanu Gupta, Mansi Oberoi, Anshika Sharma

Result Declaration- AKTU announced MBA 1st year and 2nd year result on 9/03/2017 and 16/03/2017 respectively. SRMSFMS students passed the exam with flying colors. Students who secured top positions are-

MBA 1st year

Mudit Dargon	77.75%
Ashutosh Sahu	75.88%
Mansi Oberoi	74.88%

MBA 2nd Year

Indu kannojia	77%
Pooja Singh	76%
Harsha Gupta	74%
Mohit Chowbey	74%

MANAGEMENT CLUB

Situational role play- On March 9, 2017 FMS Management Club organized a situational role play event for MBA students in array of its weekly activities. Students participated in groups.

Different contemporary issues including Demonetization, women empowerment, and current political scenario were given to different groups for role play during the event.

Students participated enthusiastically in the event and came up with some really excellent performances. The event was enjoyed by all.

Extempore- With an objective of developing Spontaneity and channelization of thought process, FMS Management club organized an extempore for management students on March 23, 2017. Students participated in good numbers in this activity and learned a lot.

Industrial Visit cum Excursion-

SRMSFMS, in association with the department of MCA, arranged industrial visit cum Excursion on 25/03/2017. MBA and MCA students from the institute visited Footwear industry in Agra. The group of students was led by Dr. Satish Ch. Pant, Miss Ankita Srivastava, both serving as faculty FMS and Mr. Arvind Mishra, Faculty, MCA Department.

Students visited Gupta HC Overseas (I) Pvt Ltd, located at National Highway 2, Khandar, Agra. Gupta HC Overseas (I) Pvt Ltd are Manufacturer Exporters of High Fashion Leather Footwear (Boots & Shoes) from India.

The students were given a close look at some of the important operations that go into the massive manufacture of leather shoes. The factory was divided into three units that are shoe designing, shoe cutting and assembling unit. Students curiously visited all the three units and got help of the company staff present there to understand the management and complexities involved in the real world manufacturing and export.

This Industrial visit proved to be a good experience to the students as it bridged the gap between theoretical training and practical learning in a real-life environment.

After the Industrial visit it was some fun time for students and they enjoyed visiting the “Taj Mahotsav”, “Agra Fort” and world renowned “Taj Mahal” on 26/03/2017.

SAMIKSHA: Case Study Competition-



FMS, SRMSCET organized a “case study competition on March 8, 2017. The objective of this event was to provide the students a platform to be innovative and to envision, engage and design the best possible solution to real world business problems. Event coordinator for this case study competition was Miss Ankita Srivastava, Faculty SRMSFMS.

The competition was open to undergraduate and postgraduate students of all SRMS Institutes and as whole 62 teams from different departments of different SRMS institutes took part in this competition.

Cases were provided on the spot during the competition and participating Teams were required to give presentation on that particular case. Case studies were judged on the basis of Clarity, completeness, best possible solution (Presentation form) and Time Management.

The competition was held in four different venues of SRMSCET and was judged by Miss Richa Murti Ma'am and other faculty from SRMSCET and SRMSCETR. The winners were-

1st Position: Team No-47 (SRMSCET- CS) - Divyani Goel ,Sonai Ganguly ,Kopal Agarwal

2nd Position: Team No-26 (SRMSCET- B. Pharm.)-Divya Singh ,Megha Agarwal S,haloo

3rd Position: Team No-05(SRMSCET- IT) - Anshul Rai ,Shaylender Gupta ,Yash Shankar

MANAGEMENT THINKER

Professor Jagdish Sheth



Professor Jagdish Sheth is the Charles H. Kellstadt Professor of Marketing at Emory University Goizueta Business School.

He is known nationally and internationally for his scholarly contributions in consumer behavior, relationship marketing, competitive strategy, and geopolitical analysis. When he joined Emory's faculty in 1991, Professor Sheth had nearly 30 years of combined experience in marketing from the University of Southern California, the University of Illinois, Columbia University, and Massachusetts Institute of Technology.

Throughout his career, Professor Sheth has offered more than a thousand presentations in at least 20 countries. He has also provided consulting for numerous companies in the United States, Europe and Asia. His client list includes AT&T, BellSouth, Cox Communications, Delta, Ernst & Young, Ford, GE, Lucent Technologies, Motorola, Nortel, Pillsbury, Sprint, Square D, 3M, Whirlpool, and others. Currently, Professor Sheth sits on the Board of Directors of several public companies including Norstan, Cryo Cell International, and Wipro Limited.

Professor Sheth's accolades include "Outstanding Marketing Educator," an award presented by the Academy of Marketing Science, the "Outstanding Educator" award twice-presented by Sales and Marketing Executives International, and the P.D. Converse Award for his outstanding contributions to theory in marketing, presented by the American Marketing Association. Professor Sheth is the recipient of the two highest awards given by the American Marketing Association: the Richard D. Irwin

Distinguished Marketing Educator Award and the Charles Coolidge Parlin Award.

In 1996, Professor Sheth was selected as the Distinguished Fellow of the Academy of Marketing Science. The following year, he was awarded the Distinguished Fellow award from the International Engineering Consortium. Professor Sheth is currently a Fellow of the American Psychological Association (known as APA).

Professor Sheth has authored or coauthored hundreds of articles and books. In 2000, he and Andrew Sobel published the best seller, *Clients for Life*. In 2001, *Value Space*, which he coauthored with Banwari Mittal, was published. Professor Sheth's most popular book, *The Rule of Three*, was coauthored with Dr. Rajendra Sisodia and published in 2002. He has since written notable publications: *Tectonic Shift*, *Firms of Endearment* and *The 4 As of Marketing*.

Source: <http://www.jagsheth.com/about>

Upcoming events:

- FMS SRMS CET, Bareilly is going to organize its annual Management fest **Paradigm 2017** on 08 April, 2017.