chances? Over 1,500 chefs from prestigious restaurants have joined the boycott.

Calgene is countering by providing as much information as possible to retailers, restaurants, the public, and others, given its limited budget. It discloses the nature of its product on labels and P-O-P displays (see Exhibit A), and in detailed brochures at vegetable counters. It is providing an 800 number that consumers can call with questions. It also voluntarily submitted the Flavr-Savr tomato to the Food and Drug Administration for extended safety testing and approval. Once this is granted, Calgene plans to go national on a region-by-region basis as rapidly as possible.

Exhibit A

Total No. of Pages -4-

Roll No.....

III SEMESTER **MBA**

END SEMESTER EXAMINATION ***Nov/Dec-2019***

PAPER CODE MGM 01

TITLE OF PAPER CONSUMER BEHAVIOUR

Time: 3:00 Hours *Max. Marks : 60*

Note : All questions are to be answered in context of the case. Further, evidence of theory must be present in each answer.
Answer all questions. Some questions have internal choice.
All questions carry equal marks.
Assume suitable missing data, if any and state your assumptions.

Q.1 The case situation represents a brand which has faced some problems. Is a) perceptual mapping or b) value mapping, a reasonable method to study the same, in terms of positioning? Explain in detail.

Q.2 [a] What should be the basis for brand Calgene's segmentation targeting and positioning? Compare the use of attitude theory, perceptions and self-image theory and suggest the one that is most suitable.

OR

[b] What are the possible methods of segmenting for such a new product? Elaborate on the basis of theory related to innovation adoption, values and norms in society.

Q.3 What would be the learning methods to be used for the communication strategy to ensure new value positioning of Calgene that you have suggested above on basis of attributes, to the target

segment. Make assumptions about attributes and mix elements as required, and state assumptions.

CALGENE INC. AND THE PURE FOOD CAMPAIGN

Over the past decade, Calgene Inc. has invested $20 million in research to develop a rot-resistant tomato. Tomatoes make an enzyme called polygalacturonase (PG) that causes them to soften as they ripen. To avoid damage to tomatoes during shipping to, and handling in, supermarkets and to extend their shelf life, growers pick tomatoes when they are green and hard, then treat them with ethylene. Ethylene is the chemical that normally causes ripening on the vine. This process will eventually turn the green tomatoes red but they remain relatively pale, mushy, and tasteless. The technique that Calgene used to solve this problem is called gene-splicing. Calgene researchers developed a procedure to prevent the tomato from producing PG. They make an antisense, or mirror image, of the gene that carries instructions for the enzyme. They then insert the antisense gene into the tomato's DNA. This blocks production of PG and allows growers to wait until the tomato is turning red before harvesting. The result is a redder, firmer, more flavorful tomato.

Calgene intends to market the tomatoes as MacGregor's Tomatoes and the seeds as FLAVR SAVOR (see Exhibit A). Given better texture, color, and taste, the product should be a major success with few problems, right? Unfortunately for Calgene, it is not that simple.

The smallest problem Calgene faces is cost. The process costs significantly more than standard tomato production and will require a 30 to 100 percent premium at retail. However, given the product's advantages, this should not unduly restrict sales. A much more serious problem is the general environment in which the product is being launched. Many consumers are skeptical of modem science and are convinced that artificial products are inherently inferior and/or dangerous. There is a seemingly endless series of discoveries that products which were once considered safe can cause cancer or other problems.

The tremendous success of Jurassic Park reveals the public's fascination with science and DNA experiments gone amuck. Both consumers and farmers are concerned and are conservative. As one farmer stated: My family has been in this business for 65 years, and I'm not about to crawl in a test tube with scientists. Businesses are also conservative. Campbell Soup Co. funded much of Calgene's research on the new tomato. However, Campbell's will not use them until after they are popular with consumers: We are not jeopardizing this business. We clearly have to show ourselves and the consumer what the benefits are to justify moving ahead. Calgene's position is made more difficult by a genetically engineered bovine growth hormone (BGH) developed by Monsanto. When injected into cows, BGH can increase milk production by 15 percent. The potential health risk associated with BGH, though small or nonexistent, have made it very controversial. Many of the concerns associated with BGH are being generalized to all products that involve genetic engineering.

The final major hurdle facing Calgene is the Pure Food Campaign headed by Jeremy Rifkin, who has vowed to "pursue this product until it is dead in the water." Rifkin opposes biotech in agriculture on philosophical, religious, and scientific grounds. He attacks such activities by using lawsuits, by lobbying for tight regulations or prohibitions, and by generating negative publicity and boycotts, Rifkin has created concerns about Flavr-Savr that are not justified. He has responded to questions about

'Flavr-Savr with warnings that splicing animal genes into plants (which some firms, though not Calgene, have attempted) violates natural law, could offend vegetarians and Jews who eat kosher, and could transfer lethal allergens into new foods.

Rifkin's Pure Food Campaign is urging farmers, retailers, shippers, and restaurants to boycott the product. The theme for this campaign is simple: Americans have an ample supply of good natural products, so why take