

PGDM (IB), 2020-22
Marketing Management - I
IB-102
Trimester – I, End-Term Examination: October, 2020

Time allowed: 2 Hrs 30 Min
Max Marks: 50

Roll No: _____

Instruction: Students are required to write Roll No on every page of the question paper, writing anything except the Roll No will be treated as **Unfair Means**. All other instructions on the reverse of Admit Card should be followed meticulously.

Sections	No. of Questions to attempt	Marks	Total Marks
A	3 out of 6	3*10	30
B	Compulsory Case Study with minimum of 2 questions	20	20
			50

SECTION A

A1a. Marketing orientations of a company may differ from being production oriented to societal. Describe how operations of a production oriented sports shoe company might be different from the operations of a market oriented shoe company. Which orientation, in your opinion may be more suited to a company targeting urban middle and upper class? Justify.

OR

A1b. Suppose you are going to take a two-week vacation at the end of your PGDM Course. How will you decide your destination? Use the five stage purchase decision process to structure your answer. (CILO1)

A2a. Select any one product/service from the following:

- (a) Readymade school uniform for children
- (b) Pre cooked ready- to-eat packaged vegetables
- (c) Fine dine restaurant.

Identify its customers? What are their needs and wants? How will you design a market offering so as to deliver customer value?

OR

A2b. Successful marketing decisions require a good understanding of the macro and micro environmental factors that affect marketing. How does Porter's Five Forces model help a company in this? (CILO 2)

TURN OVER

A3a. Zoom, the video conferencing platform has seen exponential growth during the last six months of the COVID 19 pandemic. Zoom added more than 183,000 enterprise customers in the March quarter, up 353.7% year over year. Although Zoom attributed the massive influx of customers to the pandemic, which has forced companies around the globe to transition to remote work, some people in the market feel there are growth opportunities for Zoom even beyond the crisis.

The company expects to cross-sell its new Zoom Phone cloud-calling service with its Zoom Rooms video-conferencing offering. Through this the company expects to emerge as a global unified communications provider that integrates voice and video for the large enterprise, the consumer, and everyone in between. Furthermore, Zoom expects to see a significant untapped opportunity to create tailored video solutions to address a variety of new use cases including telehealth, education, and consumer. Do you agree? Give reasons for your answer.

OR

A3b. Marketing is defined as 'creating, communicating and delivering customer value'. How, in your views have brands like Godrej's 'chotukool' refrigerators and Tata 'Swach' water purifiers created and delivered customer value?
(CILO3)

SECTION B

Case Study

Read the attached case and answer the questions at the end. Each question carries 5 marks
(CILOs 1,2,3)

BMW – The Ultimate Car

BMW is the ultimate driving machine. Manufactured by the German company, Bayerische Motoren Werke AG, BMW stands for both performance and luxury. The company was founded in 1916 as an aircraft-engine manufacturer and produced engines during World War I and World War II. It evolved into a motorcycle and automobile maker by the mid-20th century, and today it is an internationally respected company and brand with €53 billion (about US 76 billion) in revenues in 2008.

BMW's logo is one of the most distinct and globally recognized ever created. The signature BMW roundel looks like a spinning propeller blade set against a blue sky background-originally thought to be a tribute to the company's founding days as an aircraft engine manufacturer. Recently, however, a *New York Times* reporter revealed that the logo, which features the letters BMW at the top of the outer ring and a blue-and-white checkered

design in the inner ring, was trademarked in 1917 and meant to show the colors of the Free State of Bavaria, where the company is headquartered.

BMW's growth exploded in the 1980s and 1990s, when it successfully targeted the growing market of baby boomers and professional yuppies who put work first and wanted a car that spoke of their success. The result: sporty sedans with exceptional performance and a brand that stood for prestige and achievement. The cars, which came in a 3, 5, or 7 Series, were basically the same design in three different sizes. The 1980s was also a time when yuppies made Beemer and Bimmer, slang terms for BMW's cars and motorcycles, popular names that are still used today. At the turn of the century, consumers' attitudes toward cars changed. Research showed that they cared less about the bragging rights of the BMW brand and instead desired a variety of design, size, price, and style choices. As a result, the company took several steps to grow its product line by targeting specific market segments, which resulted in unique premium-priced cars such as SUVs, convertibles, roadsters, and less expensive compact cars, the 1 Series. In addition, BMW redesigned its 3, 5, and 7 Series cars, making them unique in appearance yet remaining exceptional in performance. BMW's full range of cars now include the 1 Series, 3 Series, 5 Series, 6 Series, 7 Series, X3 SUV, X5 SUV, X6 SUV, Z4 (Roadster), and M.

The redesign of the 7 Series, BMW's most luxurious car, targeted a group called "upper conservatives." These wealthy, traditional consumers traditionally don't like sportier cars, so BMW added an influx of electronic components such as multiple options to control the windows, seats, airflow, and lights, a push-button ignition, and night vision, all controlled by a point-and-click system called iDrive. These enhancements were created to add comfort and luxury and attract consumers away from competitors like Jaguar and Mercedes.

BMW successfully launched the X5 by targeting "upper liberals" who achieved success in the 1990s and had gone on to have children and take up extracurricular activities such as biking, golf, and skiing. These consumers needed a bigger car for their active lifestyles and growing families, so BMW created a high-performance luxury SUVs. BMW refers to its SUVs as sport *activity* vehicles in order to appeal even more to these active consumers.

BMW created the lower-priced 1 Series and X3 SUV to target the "modern mainstream," a group who are also family-focused and active but had previously avoided BMWs because of the premium cost. The 1 Series reached this group with its lower price point, sporty design, and aspiration to own a luxury brand. The X3 also hit home with its smaller, less expensive SUV design. BMW introduced convertibles and roadsters to target "post-moderns," a high-income group that continues to attract attention with more showy, flamboyant cars. BMW's 6 Series, a flashier version of the high-end 7 Series, also targeted this group.

BMW uses a wide range of advertising tactics to reach each of its target markets but has kept the tagline "The Ultimate Driving Machine" for over 35 years. During that time, U.S. sales of BMW vehicles have grown from 15,000 units in 1974 to approximately 250,000 in 2009.

BMW owners are very loyal to the brand, and enthusiasts host an annual Bimmerfest each year to celebrate their cars. The company nurtures these loyal consumers and continues to research, innovate, and reach out to specific segment groups year after year.

Questions:

1. How has BMW 'created value' for the different targeted customer segments over the years? (10 marks)
2. What alternative marketing strategies could BMW adopt after it was clear that consumer attitude towards cars had changed? Mention the pros and cons of each of the above strategies and state which of the above you consider the best and why? (10 marks)