

PGDM 2017-19

Marketing Management I

DM 105

Trimester – I, End-Term Examination: September, 2017

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**. In case of rough work please use answer sheet.

Sections	No. of Questions to attempt	Marks	Marks
A	3 out of 5 (Short Questions)	5 Marks each	3*5 = 15
B	2 out of 3 (Long Questions)	10 Marks each	2*10 = 20
C	Compulsory Case Study	15 Marks	15
		Total Marks	50

Section A

1. Trace the evolution of Marketing from the Production to the Societal Marketing concept explaining the assumptions on which each is based.
2. Use Porter's 5 Forces Model to assess the industry attractiveness for Uber operating in India.
3. As posited by the Diffusion of Innovation theory for any innovation introduced in the market, there will always be late adopters and laggards who are difficult to pull in. You are the Marketing Manager of Apple introducing the latest I Phone 8 in India. You have huge targets and the "buy in" of late adopters and laggards is necessary for you to achieve your targets. What possible strategies could you adopt to pull them in, and, thus, achieve your stiff targets?
4. With the help of a diagram explain Porter's Generic strategies. Give examples of 3 different companies each following a different form of strategy. How has each benefited from its strategy decision?
5. What are the uses of a Perceptual Map? Draw a perceptual map using Price and Quality for Chocolates in the Indian Market and mark where you would like to introduce a new product. Justify your positioning.

TURN OVER

Section B

1. Compare and contrast any 2 cell phone operators present in the Indian market. How has each positioned itself? As the new Marketing Managers of each of these companies what significant changes in their Marketing strategies / Brand Image would you want to implement?
2. Draw a competitive grid for your chosen upper end cell phone model of Samsung, Apple and a new phone you, as a Google Product Manager, would like to introduce in the same segment. Clearly delineate Key and Secondary factors for success of all three models and outline your marketing strategy for the new entrant based on your overall rating.
3. Describe with the help of a diagram how application of Porter's Value Chain concept with reference to Primary and Support Activities could improve:
 - a) The efficiency of operations of the Tobacco Division of ITC OR b) The efficiency of Tata Steel

Section C

Read the case on the next page and then answer the following questions. All questions carry equal marks:

1. What are the pros and cons to BMW's selective target marketing? What has the firm done well over the years and where could it improve?
2. BMW's sales slipped during the worldwide recession in 2008 and 2009. Is its segmentation strategy too selective? Why or why not?
3. What is the way forward for BMW and why?

BMW: The Ultimate Driving Machine

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 USD 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 SUV. 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.