

PGDM 2022-24
Marketing Management I
DM -108
Trimester – I , End-Term Examination: September 2022

Roll No: _____

Time allowed: 2 Hrs
Max Marks: 40

Instruction: Students are required to write Roll No on the cover page of the Answer Sheet. All other instructions on the question paper / Admit card should be followed meticulously.

Sections	No. of Questions to attempt	Marks	Total Marks
A	4 Questions	4* 5	20
B	Compulsory Case Study	2*10	20
			40

SECTION A – (5 marks * 4 questions) = 20 Marks

Q1 a). In your opinion was India's progression to becoming a Consumer Democracy inevitable? State the landmarks on this journey and the reasons for your answer (CO 1)

OR

Q1b) What is the basic difference in philosophy between Marketing and Selling ? What stages did Marketing pass through to reach its current status of Holistic Marketing and what are the elements of Holistic Marketing? (CO 1)

Q 2a) Is the concept of Marketing Myopia relevant today ? Why or why not ? What in your opinion caused the fall of Blackberry and what do you foresee will be the next big disruptor in the mobile phone market ? How could a smart cell phone provider avoid this? (CO 2)

OR

Q 2b) What are the major influences on Customer Behaviour? What are the different Reference Groups and how do they affect behaviour ? How can a Marketer utilize the concept of Aspirational groups to market his product ? (CO 2)

Q 3a) How is Porter's Five Forces model relevant to an organization? Take the example of any Business School of your choice and explain how it can be used to determine its attractiveness in the education industry. (CO 3)

OR

Q3b) How can you utilize Porter's generic strategies to decide a Marketing strategy for a company? Explain how you will decide your expansion strategy for a 10 year old company in the health care sector having a good brand image and quality products with a dominant market share in North India. (CO 3)

Q 4a) How can Ansoff's Product-Marketing matrix contribute to developing the marketing strategy of an organization? Explain with an example how an FMCG company of your choice in the biscuit or razor blades manufacturing industry can increase its footprint in India utilizing this matrix. (CO 3)

OR

Q 4b) A toiletry manufacturer based in Mumbai plans to launch a new brand of a high priced "Cool summer" deodorant. Help him segment the market and develop his Marketing strategy. (CO 3)

Section B

Read the Case and answer the questions below :

Gillette Case study

When most people hear "GILLETTE", one thing comes to mind—Razors. That's to be expected, since safety razors were invented by King C. Gillette in 1903, and the product in various forms has been the core of the company's business ever since. Few firms have dominated an industry so completely and for so long. Wet-razor shaving (as distinct from electric razors) is a \$900 million market. Gillette's share is 62 percent, with the remainder divided among SCHICK—15 percent, BIC—11 percent, WILKINSON sword—2 percent, and a number of private brands.

Gillette would like to achieve a similar position in the men's toiletries with a new line of products called the GILLETTE Series. However, its record that market is spotty at best

One Gillette success, Right Guard Deodorant, was market leader in the 1960's. Right Guard was one of the first Aerosols, and it became a family product which was used both by men and women. However, the product has not changed although the deodorant market has become fragmented with the introduction of antiperspirants, various product forms and applicators, and many different scents. As a result, Gillette slipped to third position in deodorant sales behind P & G and Colgate—Palmolive.

An even more embarrassing situation is Gillette's foamy shaving cream, a natural fit with the razor business. S. C Johnson and Sons Edge Gel have supplanted that brand as the leading seller. These experiences created frustration at Gillette. Despite its pre- eminence in razors

and blades, the company has been unable to sustain a leading position across the full range of toiletries.

Gillette is using its most recent success, the sensor razor, as a springboard for its new toiletries. The Sensor story provides the background necessary to understand the marketing of the Gillette Series, and also offers some insight into Gillette's marketing prowess.

Sensor- a high technology cartridge razor- was a gamble for Gillette because it ran counter to consumers' buying preferences. Disposable razors, which were produced by the French firm BIC in 1974, had gained control in nearly 80 % of the razor market by 1990. Gillette's analysis showed that disposables provide a worse shave than a cartridge blade, cost more to make than a blade and are sold at a lower profit margin. Despite its disdain for the product, competitive pressure forced Gillette to introduce its own disposable, Good News.

As concern about the squeeze that disposables were putting on profit margins grew, Gillette began looking for a way to displace them. The company spent \$ 300 million to develop a technology to significantly improve on the three attributes desired in shaving- closeness, comfort and safety. They came up with the Sensor, a razor with independently moving twin blades. The Sensor produces a superior shave, but it is also more expensive to produce than a disposable. So Gillette's gamble was that a better shave would be enough to justify a premium price, and in the process, displace the successful but not a very comfortable disposable razor. In addition to the R & D investment, Gillette spent \$ 110 million in the first year to advertise Sensor. The strategy paid off. Estimated 1992 sales for the brand was \$ 390 million, and equally important, the share of the market held by the disposables has gone down to 42%.

Gillette then moved to capitalize on the success of Sensor. The company had a line of toiletries in development, and the decision was made to tie them closely to sensor. The line consists of 14 items:

1. two shaving gels for sensitive and regular skin
2. two shaving creams
3. two concentrated shaving gels
4. a clear gel anti- perspirant
5. a clear gel deodorant
6. an anti- perspirant stick
7. a deodorant stick
8. An after- shave gel
9. An after-shave lotion
10. An anti- perspirant aerosol and a deodorant body spray available only in Europe.

The products in the Gillette series were developed over a three year period at a cost of \$ 75 million. They were tested on 70000 consumers. An indication of their newness is the fact that Gillette has 20 patents pending with them. Consideration had been given to introducing the line in 1992, but the introduction was cancelled by Gillette's CEO, Alfred Zeien. He insisted that the line not be launched until consumer tests showed that each of the 14 products was preferred to the best- performing brand in its category.

All the products have a common fragrance that Gillette calls Cool Wave. They come in silver and blue packages like the Sensor, and the black lines on the packages match the grooved sides of the Sensor Razor handle.

The items retail at \$ 2.69 each, 10- 20 % higher than the prices of major competing items. As was the case with Sensor, Gillette hopes that the products' innovation will convince men to switch brands and pay the higher prices.

During the Gillette Series first year, the company spent \$ 60 million on a joint advertising campaign with Sensor. Just like Sensor, the line was to introduce in January with ads on the Super Bowl. The campaign uses the same theme as Sensor. "The Best a man can get". Initial TV commercials were one minute in length. They started with 15 seconds on shaving gels, and cream, followed by 30 seconds on Sensor and 15 seconds on aftershaves. The deodorants are advertised separately.

The Gillette series faces two major problems:

- Convincing consumers that the line is actually better and the higher price justified will be more difficult than with SENSOR. With the razor, Gillette had name recognition as the dominant firm in the industry. In addition, the design differences the sensor were visible, and a consumer can directly enjoy a closer shave. With the toiletries, Gillette does not have a strong position in the consumers' minds, nor are the benefits provided by the products obvious. Furthermore, the men's toiletries market is extremely competitive . Powerful firms with proven marketing skills have taken a greater interest in this category. P & G has acquired Old Spice and Noxzema; Colgate owns Mennen, and Unilever purchased Brut. It's unlikely the rest of the firms in the market will sit back and ignore Gillette's activity.
- Gillette is tying, the new product line to the Sensor but using a different brand name. If consumers do not associate the Gillette Series with the innovativeness and success of Sensor, the new line may just be another brand in an already cluttered market.

According to a Gillette Vice President, one of the most compelling aspects of the Gillette series is its synergy with the company's core business—razors. If the new line is successful, Gillette anticipates adding other men's grooming products such as hair sprays and shampoos. The firm's CEO, Zeien says, " we're already the worldwide leader in blades, Will we be the world leader in other (toiletries) or not? That's our goal."

QUESTIONS:

1. How is the Gillette Series being positioned with respect to (a) competitors (b) the target market? Is this the right positioning or would you want to change it ? Justify your stand.
2. As Gillette's new Chief Marketing Officer what future Marketing strategy do you propose for Gillette for the next 3 years? (CO 4)

