

**PGDM (IB) 2013-15**  
**Marketing Management I**  
**IB-101**

**Trimester I End Term Examination, September 2013**

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.

**SECTION A**

**15 Marks**

*There are 5 questions in this section. Attempt any 3 questions. Each question carries 5 marks. (100 words)*

- A1) David Packard of HP once said, "Marketing is far too important to be left only to the marketing department." A firm today need to become Market oriented not the Marketing oriented. Explain the difference between Marketing Orientation and Market Orientation?
- A2) The key question of strategy has been: How to outpace rivals, how to out-compete? Explain how "Blue Ocean Strategy" can be answer to such question.
- A3) "Disruptive innovation is the key for a sustainable economy". Explain the importance of disruptive innovation in country like India. How disruptive innovation can help marketer to deliver value.
- A4) How a firm can identify its competition? How customers can help in this exercise.
- A5) Explain different buyer's roles involved in consumer marketing and B2B marketing? How the nature of demand differs in case of B2B Marketing?

**SECTION B**

**20 Marks**

*There are 3 questions in this section. Attempt any 2 questions. Each question carries 10 marks. (500 words)*

- B1) The new edition Tata Nano's colourful TV commercial on 'Celebrate Awesomeness' has crossed 5 million views on YouTube in less than 30 days - the highest for any Automotive brand TVC in India, till August 30, 2013. The video has been an instant hit, bringing in more than 17,000 post likes and over 700 comments from the Nano fan base.
  - a) Explain the characteristics of the new segment which this brand is vying for? What kind of Target Market Strategy (STP) is this?

b) Elaborate the priori and post hoc segmentation methods using any other example?  
B2) Guy Hutchinson, vice-president, operations (India), Hilton Worldwide says, "One has to accept social media as one of the biggest changes of our times. Companies can't sift through online conversations. If they do, they will fail. It is a global phenomenon, awe-inspiring, an irresistible force. People are photographing airline meals and posting them on websites, people are writing about experiences in hotels, talking about room service... it is insane but it is what it is. Sometimes, it is also used to manipulate - 'give a free night or I'll write negatively about it on a website' is a common refrain in our industry. Companies have to continue offering the best experience to customers. Hilton has created a new vertical to take care of the needs emerging from social media."

a) Explain the different environmental factors and customer behavior related changes are being observed nowadays?

b) What is PESTLE analysis? Explain it with the help of an example.

B3) "Companies should continuously monitor peripheries to anticipate emerging opportunities and threats ahead of others." Comment. Also explain Five Forces model for market profitability.

### SECTION C 15 Marks

***Read the case carefully and answer the following questions. The summary of the case is must.***

C1)

**'Red' Magazine: Women Consumers, Lifestyle Trends and the New Zeitgeist**  
**Lorna Stevens**  
**University of Ulster**

'Red' magazine was bravely launched onto the already very crowded UK women's magazine market ten years ago with the strap line 'Red Time is Me Time'. The magazine's aim, according to its creators at EMAP Elan in London, was to legitimize 'the precious experience of time to oneself' in a 'time poor world' (Rainey, Campbell & Roalfe, 1999). The 'Red' marketing and editorial development team realized that if they were to entice women in their 30s and 40s to buy the magazine, they would need to stress the pleasurable experience of consuming it. The advertising campaign revolved around three television ads, the final one of which was called 'The Sofa'. Each of the advertisements made a direct appeal to feelings; fantasies and fun, all of which are associated with experiential consumption (see Holbrook & Hirschman, 1982 for a full discussion of this). The present case shows how powerful and persuasive marketing communication can be when it taps into an emerging lifestyle trend or new zeitgeist (spirit of the age) and makes experiential appeals to consumers.

Women's magazines have always been a rich source of information and advice for women. But women's magazines are read not just because of what they contain. They are also read because of their 'experiential' appeal, namely what they enable women to feel. Indeed, according to my research, the main reason women read magazines, especially monthly magazines, is that they act as a perfect reason to have some 'me-time'. The editorial team at 'Red' believed that there was a gap in the market for a women's magazine that recognized that

women of this age group wanted a magazine that enabled them to focus on themselves, and thereby shut out the many demands of the external world.

Women's magazines needed to provide a reading experience that offered an oasis of calm and pleasure in the midst of the hurly burly of these women's everyday lives. Instead of addressing women in their 30s and 40s according to their numerous roles – employee, mother, wife, homemaker, lover, etc - the team at 'Red' decided that their unique proposition would be to focus on 'Red' magazine as an experience rather than a product. They knew that women of this age group had very little time to themselves, so the focus would be on stressing magazine consumption as an opportunity for time and space to oneself. This emphasis was not new, as the trend had already been identified in the US,

and a spate of women's magazines had already been launched there with titles like Real Simple and Self, the latter with a tagline 'Centered on You'. The focus of the new magazine was on attitude and lifestyle, rather than demographics, such as social class, geography or occupation. 'Red' magazine was positioned as offering its target market an opportunity to focus on their own needs and wants, and this focus was built into its advertising campaign, encapsulated by the core concept and strapline 'Red Time is Me Time'.

The 'Red' team envisaged Red as 'entertainment' and a 'leisure-read' (Anne-Marie Lavin, EMAP Elan, 1999). The marketing campaign somehow had to encapsulate this attitude Marketing and stress the 'indulgence' and 'experience' of reading a magazine 'in the time poor world'. It also had to legitimize 'the precious experience of time to oneself' (Rainey, Kelly, Campbell Roalfe). The 'Red' development team realized that if they were to entice women to buy the magazine they would need to stress the positive spirit of the magazine and the pleasurable experience of consuming it. They wanted to create a magazine for women that would 'put a smile on their face.' (<http://www.redmagazine.co.uk/>).

The 'Red' television advertisement campaign was launched with an ad called 'Defining Moments, which urged its target audience to 'Go on. Treat yourself', immediately stressing the experiential dimensions of reading, its self indulgent, emotionally satisfying and sensuous aspects. The ad firmly positioned the magazine as being more about attitude of mind rather than content, and indeed no information was given in the ad as to what the magazine actually contained. Filmed in black and white, it offered a series of fleeting scenes of a thirty-something woman's day – her work, her home, her partner, her children. The second advertisement in the series boldly chose a striptease theme, showing a woman coming home from work and then stripping off in time to music. This ad caused considerable debate amongst the predominantly female team at 'Red' and the predominantly male team at the ad agency, Rainey, Kelly, Campbell, Roalfe, when the concept was discussed. The ad needed to appeal to women rather than men, and in order to ensure it wasn't 'just another sexy ad about a woman taking her clothes off' (Anne-Marie Halpin, EMAP Elan), the ad uses humour and contains lots of references to the woman's life – a squeaky toy, a framed photograph of her with her partner, etc. The woman is thus portrayed as a 'real', likeable person, rather than just another pretty face who's doing a striptease! The ad culminates with the woman lounging on a red sofa in her pyjamas, immersed in 'Red' magazine, with a smile on her face. The strapline for the ad is 'Red magazine – Drop Everything'. The ad was a huge success, increasing sales by 30,000 on the previous month prior to the release of the ad. The third advertisement decided to develop the themes already established in its second advertisement, by also centering on the experiential dimensions of magazine consumption, and the notion that reading or more accurately the act of consuming a magazine is all about the fact that a monthly magazine offers a 'dreamworld' that women readers enter (see Winship, 1987 for a full discussion of this concept), which enables them to take time out from their busy day-to-day lives and indulge in some time and space to themselves. Once again no information was given as to the actual content of the magazine. Experiential consumption focuses on the emotions and sensory feelings experienced by consumers. It's about 'emotional arousal' and 'sensory stimulation'(Holbrook & Hirschman,