

PGDM, 2014-16 / PGDM (IB), 2014-16
Digital Marketing
DM-433 / IB-411
Trimester – IV, End-Term Examination: September 2015

Time allowed: 2 Hrs and 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

ALL YOUR ANSWERS SHOULD BE BRIEF TO THE POINT.

Section A (answer any 3 questions)

Maximum Word Limit to Each Answer Is 300 Words

- Q1. What is industrial internet? Discuss how GE uses industrial internet with suitable examples.
- Q2. Many companies that sell through traditional retail formats face channel conflict when they attempt to sell directly online. Discuss some of the strategies these companies may adopt to minimize channel conflict.
- Q3. Discuss the role of content and sender in the dissemination of viral ads.
- Q4. Why do many e-commerce firms are moving fully to apps and abandoning websites? What are the pros and cons of this approach?
- Q5. What is Moz rank? How can it be improved?

Turn Over

Section B (answer any 2 questions)

Maximum Word Limit to Each Answer Is 500 Words

Q6. What is freemium? Discuss the questions a marketer need to address to make freemium model successful.

Q7. Discuss various sources of bigdata. Discuss how bigdata is being used in different spheres of business.

Q8. Discuss the traditional purchase funnel and how digital channels changed consumer behavior with the help of Mckinsey's consumer decision journey model. What are the influential touch points at different stages of consumer journey according to Mckinsey model?.

Section C

Read the case "Walmart" and answer the following questions.

INSTRUCTIONS: YOUR ANSWERS SHOULD BE BRIEF AND TO THE POINT.

Q1. What are the actions taken by Walmart to minimize cannibalization of offline sales by online sales?

Q2. What are the advantages Walmart has over Amazon.com?

Q3. Discuss how Walmart.com has evolved over the years

Turn Over

WAL-MART

Wal-Mart (walmart.com) is the largest retailer in the world, with \$404 billion in sales for the fiscal year ending January 31, 2009. Wal-Mart employs more than 2 million people. The company has more than 7,000 stores around world. Each week, 180 million customers visit Wal-Mart stores worldwide, including 127 million in the United States (see walmartfacts.com for current statistics).

Wal-Mart maintains an intense strategic focus on the customer. Its standard company cheer ends with, "Who's number one? The customer." Wal-Mart has also established itself as a master of retail process by streamlining its supply chain and undercutting competitors with low prices. Wal-Mart has had an online presence since 1996. However, one problem with its strategy for growing online sales has been the demographics of its primary customer base. Wal-Mart's target demographic is house-holds with \$25,000 in annual income, whereas the median income of online consumers is perhaps \$60,000. Despite these demographics, online sales (primarily in music, travel, and electronics) through walmart.com already account for about 10 percent of Wal-Mart's U.S. sales. Its long-time chief rival, Kmart, Inc., tried to attract its demographic audience to its Web site (kmart.com) by offering free Internet access. This appealed to its cost-conscious, lower-income constituency and provided the opportunity for those customers to access the site to conduct purchases. However, this move decreased company profits in the short run and was one of the factors that led Kmart to file for bankruptcy in 2002.

Wal-Mart also has concerns about cannibalizing its in-store sales. Its alliance with AOL is designed to provide cobranded low-cost Internet access to dwellers in both very rural and very urban areas, where there are no Wal-Mart stores nearby. The intent is to lure new market segments and thus cancel the effect of cannibalization. Ultimately, a hybrid e-tailer that can offer a combination of huge selection with the click-and-mortar advantages of nearby stores (e.g., merchandise pickup or returns) might prove to be the major force of online consumer sales.

Over the time Walmart.com matured, offering order status and tracking, a help desk, a clear return policy and mechanisms, a store locator, and information on special sales and liquidations. Today, community services, such as photo sharing, are provided. The company revamped its site and now features a new four-click checkout process and rich-media, including interactive functions in the toy section.

Turn Over

Wal-Mart only offers some of its merchandise online, but the selection is increasing, including items not available in some or all stores (e.g., spas, mattresses). Wal-Mart started selling songs online for 88 cents each, competing with Apple's iTunes. Inexpensive items (e.g., those that sell for less than \$5) are not available online. More recently, during a 4-day Thanksgiving special, Wal-Mart began to court more affluent shoppers with new and more expensive items available only online. Products included cashmere sweaters and shiatsu massage chairs. The Web site averaged 8 million visitors each week prior to the promotion.

Wal-Mart had added many new products to its online catalog. International customers can buy Wal-Mart products directly from Wal-Mart (if shipping is available) or from affiliate sites. For example, see ASDA (asda.co.uk), a Wal-Mart owned U.K. company.

Recently, Wal-Mart rolled out its new order online/ pick up in store service. "Site to Store," enables customers to buy online and have products shipped for free to their store of choice. The new service also gives customers access to tens of thousands of products, many more than are available in stores.

According to Nielsen/NetRatings, Walmart.com was ranked the third most popular site by Nielsen/NetRatings in terms of the number of visits, behind eBay and Amazon.com.

Wal-Mart now adopts existing Web 2.0 social networks for its e-tailing activities. Wal-Mart launched "Roommate Style Match" on Facebook, a site that allows students to design their dorm rooms with their roommates. Facebook users who join the Wal-Mart group are able to take a quiz to determine their decorating style and get a list of "recommended products" they can buy at Wal-Mart to mesh their style with their roommate's. Students can also download a shopping list of dorm room items sold at Wal-Mart, link to Wal-Mart's Web site promoting "earth-friendly" products, or click on Soundcheck, Wal-Mart's Web site that shows musical performances by popular singers like Bon Jovi and Mandy Moore. It is believed that Wal-Mart will soon make use of blogs and other Web 2.0 tools to support its online sales (e.g., customer product reviews). Wal-Mart Watch is a page on one of the popular social networking sites where frustrated customers and employees get a chance to express their feelings.

Wal-Mart continued to gain market share and clout as cash-strapped shoppers sought out its low prices. It reported a stronger-than-expected 3.4 percent rise in sales at its U.S. stores during the holiday shopping season.