

**Jagan Institute of Management Studies**  
**End-Term Examination, December, 2016 – January, 2017**  
**Trimester II – PGDM 2016-18**

***Marketing Management II***  
***ET\_PG\_MM-II\_0401***

Time: 3 Hrs.

M. Marks: 70

**INSTRUCTIONS: Attempt any FIVE questions including Q1 & Q8 which are compulsory.**

**Q 1** Comment on any **THREE** of the following giving suitable examples and brief description.

- a) Marketing messages delivered by celebrities are likely to achieve higher attention and recall. Is it always true? Are there any dangers/limitations using celebrities for brand endorsement?
- b) “Successful value creation needs successful value delivery”. Comment on this statement highlighting role and importance of marketing channels.
- c) “At the heart of a great brand is a great quality product. Quantity of a product, therefore, is a key element in the market offering.”
- d) “No matter how well the marketing channels are designed and managed, there will always be some conflict.” Why? Give reasons for marketing channel conflicts.
- e) “By introducing product variants and product forms through brand and live extensions companies try to fill the consumer need gaps.”
- f) “No matter how wonderfully you advertise, No matter how much discount you may offer; if you fail at getting the ‘delivery & logistics’ part of the process right, you just fail.” - A message to e-commerce companies. Comment.

**15**

**Q 2** Many Global Healthcare chains are pumping investments into private hospitals in India. The country’s booming healthcare sector is attractive for many deals of mergers, takeovers and simple foreign direct investments. The demand for healthcare services continues to grow due to improvement in living standards and bright prospects for medical tourism. India, thus offers huge opportunity in all segments including corporate private hospitals and diagnostic centers & specialty hospitals. Apollo, Fortis, max like groups are well established chains in the domestic market. Indian hospitals have sound managements, good infrastructure, advanced technology and skilled manpower. However, entry of big international groups presents a competitive threat to these

established domestic players.

Do you think this competitive threat is genuine for Indian Corporate hospitals? What should (in terms of marketing strategies) these hospitals do in order to face this probable threat? Suggest suitable positioning and branding strategies and also appropriate communication plans to face this situation.

13

- Q 3** Tata Motors is going to launch a new super utility vehicle (SUV) “Hexa” next month. After successfully experiencing “safari Storm” and “Tiago” in terms of sales, the company has decided to try experience-based product differentiation for the potential high-end luxury car buyers. Out of its total dealership network of 600 showrooms, the company has selected 300 exclusive retailer dealers for “HEXA”. These dealers/showrooms have been chosen on the basis of display area; trained manpower; provision of lavish, swanky and luxurious space with large fun zones including experience centers having facility of exclusive test driving tracks. These premium car showrooms (similar to Nexa showrooms of Maruti Suzuki) are supposed to provide very personalized & customized communications ( For example, buyers are going to experience product through short video message and product display and information on the hand –held tablet screens in these showrooms). HEXA’s competition would be perhaps with Mahindra’s “SCORPIO” and Hyundai’s “CRETA”. Company believes that such high-end buyers expect differentiated and customized treatment where display ambience and retail environment need to be uniquely inviting and engaging the buyers.

Do you think Tata motors are right in its decision to choose such exclusive retail environment for this brand? Under what conditions exclusive distribution (dealer network) works best? Discuss keeping in mind all relevant factors that must be considered while making a selection for an appropriate distribution for such a product.

13

- Q 4** Long gone are the days of patrons watching a movie in 800-900 seat single screen theatre? The days of broken wooden chairs, stinking toilets, cold samosa and soggy popcorn, antique fans, seat reservation by queuing up on the ticket windows well in advance – are over at least in the Metros.

Today’s multiplexes with facilities such as comfortable recliners, polished lounges, , glossy veneers & not biryanis, pastas and freshly brewed coffees served in your seats along with latest sound systems, curved screen projections , app-based booking, online/ticketless or QR code on mobile0based entry are all designed to enhance your physical and service experience while watching movies.

However, all the above improvements offered to you by PVR, INOX, DT, CINEPOLIS has Come about at a significant growth in the ticket prices. Besides, many a time these theatres follow differentiating prices according to different days and sometimes for different movies too!!

Take another example of app-based taxi-aggregators such as OLA or UBER. They at times follow surge pricing i.e., when fares temporarily increase to encourage more drivers to head to that area of the city where demand for rides is high or fares may automatically surge when large number of rides are requesting to pick them up from an area of city and hence demand in that area is higher suddenly.

Do you think this kind of discrimination or surge in prices justified as a marketing strategy? Can it work for building brand in the long run? Answer both these questions keeping in mind the factors that influence pricing decisions.

13

Q 5

Smart wristwatches have been around for quite some time but recently there has been an introduction of spate of these wristwatches with its new USP tracking physical fitness. Below are some samples:

GOO II an activity tracker with a subscription and app-based personalized guidance from a fitness coach on your daily workout schedule, diet plan that helps you chant a customized fitness regimen. One is required to log details of meals, water intake etc. The app routinely reminds you to eat at meal times, drink water at regular intervals and also exercise about time.

GARMIN VIVOMOVE is a purely for fitness tracking .The sensors log your step count, monitors sleep, record your idle time, walking time, running time, calories burnt, sleep quality etc.

Apple Watch Series 2 with built in GPS to record distance, pace, speed during outdoor workouts in activities such as walking, running or cycling. Breathe app reminds you to do a short breathing exercise. Along with these activities weather, news, camera, astrology, education and reference information are customized.

Some experts believe that these fitness bands and fitness tracker smart watches are all creating expectations. These expectations would not be met by these magic wands and health and beauty related measurements would be mis-measured in different circumstances.

Do you think these smart wristwatches offer real and useful product differentiation that can work effectively for some segment? Since these are all new product launches, what kind of new product development stages along with factors these companies might have analyzed? Discuss giving stages of new product development stages along with related factors these companies might have analyzed? Discuss giving stages of new product development.

13

- Q 6** There has been a recent announcement that virtual fencing may become a reality at Indira Gandhi International Airport soon as a system to create second layer of security. Their virtual fencing will produce invisible rays that would trigger alarm when touched. This will be matched up with HD surveillance and night vision cameras. Device to control all this will be placed at Airport control center which would also ensure that no false alarms are generated. According to sources, the system once installed, would be best way to secure the perimeters of the airside or areas accessible to aircraft and keep them intrusion free. Some senior security officer says that the plan is only in pre-conceptual stage. Think about this product/service in terms of levels of product i.e., core level, basic level, expected level, augmented and potential product levels. Discuss how product levels evolve with time and competition by giving some other examples. How these impact marketing strategy and competitive strength of firms? **13**
- Q 7** Social media has made it possible for many companies to gain insight into a customer preferences and perceptions and thus create brand loyalty. Many companies such as Make My Trip, Flipkart, Airtel & HDFC bank have separate handles on Twitter. Many other companies such as Madura Fashions & Lifestyle has developed command centers where some employees are constantly in touch with customers answering their queries or indirectly listening to what people are talking about their brands on Facebook, Twitter or LinkedIn. Do you think social media platforms are effective way to communicate with customers? Are there any dangers/limitations using these platforms? Suggest suitable media for lifestyle or apparel brands. Do you think companies should promote through Integrated Marketing Communication rather than banking on social media? **13**
- Q 8** Samsung's new flagship android handset, the Galaxy Note-7, was hailed for its futuristic design, terrific specifications, large screen and powerful battery. It was expected to compete with iPhone-7 of the closest rival Apple. But this Note-7 ran into following troubles and sequence of events:
- A few models spontaneously caught fire.
  - 2.7 million Units of the new phone recalled and replaced.
  - Initially it was believed to be a battery issue.
  - Replaced handsets exhibited a tendency to heat up and catch fire.

- Samsung halted production of this model altogether after finding that the problem was caused by handset's technology itself.

The above events led to the following consequences in the opinion of experts:

The decision of Samsung to rush its model before latest iPhone launch badly flopped. The brand value of Samsung was dented in global markets. Revenue loss suffered ran into billions of \$ in lost sales & doubts were raised about defect possibilities of other Samsung's consumer durable products such as microwave ovens, washing machines and refrigerators.

The truth is that it is not the first times that a major product recall has happened. Toyota, Sony, Johnson & Johnson, Pfizer and many other companies have taken their products off the shelves but it is also true that such incidents do hurt the image of entire industry (because Samsung is major component supplier too) and credibility of such product category also.

In view of the above answer the following questions:

- a) List the major components of brand equity and explain the concept. **5**
- b) What should Samsung do to revive customer trust and its brand image? **5**
- c) How should Samsung deal with its other stakeholders such as component buyers, distributors and retailers? **6**

\*\*\*\*\*