

**GUJARAT TECHNOLOGICAL UNIVERSITY**  
**MBA – SEMESTER 02– • EXAMINATION – SUMMER 2016**

**Subject Code: 2820005**

**Date: 23/05/2016**

**Subject Name: Marketing Management (MM)**

**Time: 10:30 AM to 01:30 PM**

**Total Marks: 70**

**Instructions:**

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

**Q.1**

**06**

**(a)**

1. Marketing is \_\_\_\_\_  
A. An activity      B. A set of institutions  
C. A process      D. All of the above
2. \_\_\_\_\_ is an important element of Holistic Marketing  
A. Buzz      B. Viral Marketing  
C. Relationship Marketing      D. Social Marketing
3. Segmentation of the Consumer Market can be done on the basis of  
A. Demography      B. Epistemography  
C. Ontography      D. Cryptography
4. Points of Parity and Points of Difference are important for  
A. Brand Equity      B. Brand Positioning  
C. Brand Logo      D. Brand Character
5. Market leader can defend himself from the Market challenger by  
A. Position Defense      B. Flank Defense  
C. Mobile Defense      D. All of the above
6. \_\_\_\_\_ is an important major stage in the Industrial Buying process  
A. Vendor rating      B. Order –routine specification  
C. Inspection      D. All of the above

**Q.1 (b)**

**Short / Definition Questions**

**04**

1. List the five product levels of the customer value hierarchy
2. What are specialty goods?
3. List the distinctive characteristics of services
4. What is Dutch auction in pricing?

**Q.1 (c) List and explain briefly the major types of Retailers and Wholesalers**

**04**

**Q.2 (a) Discuss the various tools and techniques that organizations use for gathering market information**

**07**

- (b) Simken, an antifriction bearings company is operating in India since last 50 years. Since last 2 years the company is seeing a downward trend in its annual sales and profits. Using your knowledge of the Business Unit Strategic Planning process, help the company to create a Strategic Plan in steps for getting back its sales and profits. **07**
- OR**
- (b) IKEA, the Swedish furniture giant is planning to start its first store in India in 2017. The company markets home furniture which is easy to assemble and value for money. Discuss the impact of various types of Indian macro marketing environment on the marketing operations of the company. **07**
- Q.3** (a) What is Customer Based Brand Equity? Explain the CBBE model of building brand equity. **07**
- (b) Your family has been recently thinking of buying a new LED TV for your house. The old CRT TV is 10 years old and now they are thinking of replacing it. With your knowledge of Consumer Buying Behaviour explain the steps that your family would follow for purchasing this product. **07**
- OR**
- Q.3** (a) List and explain some of the market challenger strategies of attacking the market leader with relevant examples **07**
- (b) Your College is thinking of buying new LCDs for the student council and activity centre for your College campus. You have been appointed as the head of the purchase committee responsible for purchasing the LCDs. Assuming that your team has no previous experience of purchasing LCDs what are the steps you will follow with the help of your knowledge of the Organisational Buying Process? **07**
- Q.4** (a) List and explain the various strategies for adapting the price **07**
- (b) Launching new products at regular intervals has become one of the key success factors for any company today. Thus, new product development process has become an important area for any company aiming at leadership position in the market. With this as a background, discuss the steps of the new product development process for companies. **07**
- OR**
- Q.4** (a) What is channel design? Explain the steps of the channel design process for developing a new channel **07**
- (b) Maxis bank has been losing customers at a very fast rate to its competitors. There have been reports of very poor service quality being offered by the bank to its customers. How can you use the concept of Service Quality Gap for helping the bank manage its Service Quality **07**
- Q.5** Gillette understands men perfectly. The company understands what products men desire for their grooming needs. It also knows how to market to men all around the world. Since the invention of the safety razor by King C. Gillette in 1901, Gillette has had a number of breakthrough product innovations. These include the first twin blade shaving system in 1971 named the Trac II, a razor with a pivoting head in 1977 called the Atra, and the first razor with spring-mounted twin blades in 1989 dubbed the Sensor. In 1998, Gillette introduced the first triple blade system, Mach3, which became a billion-dollar brand surpassed only by the 2006 launch of the “best shave on the planet”—the six-bladed Fusion, with five blades in the front for regular shaving and one in the back for trimming. **14**

Today, Gillette has a lead in the shaving and razor business with a 70 percent global market share and \$7.5 billion in annual sales. Six hundred million men use a Gillette product every day, and the Fusion razor accounts for 45 percent of the men's razors sold in the United States. Gillette's mass appeal is a result of several factors, including extensive consumer research, quality product innovations, and successful mass communications.

While Gillette's product launches have improved male grooming, it's the company's impressive marketing knowledge and campaigns that have helped it reach this international level of success. Traditionally, Gillette uses one global marketing message rather than individual targeted messages for each country or region. This message is backed by a wide spectrum of advertising support, including athletic sponsorships, television campaigns, in-store promotions, print ads, online advertising, and direct marketing.

Another crucial element in Gillette's marketing strategy is sports marketing. Gillette's natural fit with baseball and tradition has helped the company connect emotionally with its core audience, and its sponsorship with Major League Baseball dates to 1939.

Gillette also has ties to football. The company sponsors Gillette Stadium, home of the New England Patriots, and is a corporate sponsor of the NFL, making four of its products, Gillette, Old Spice, Head & Shoulders, and Febreze.

Gillette also sponsors several NASCAR races and drivers and the UK Tri-Nations rugby tournament. It even created a Zamboni at the Boston Bruins game that looked like a huge Fusion razor shaving the ice.

While sports marketing is a critical element of Gillette's marketing strategy, the brand aims to reach all men and therefore aligns itself with musicians, video games, and movies—in one James Bond film, Goldfinger, a Gillette razor contained a homing device.

When Procter & Gamble acquired Gillette in 2005 for \$57 billion (a record five times sales), it aimed for more than sales and profit. P&G, an expert on marketing to women, wanted to learn about marketing to men on a global scale, and no one tops Gillette.

1. Evaluate the marketing communications mix of Gillette with your theoretical knowledge. What suggestions you can give to Gillette for the improving its marketing communications mix?

2. Some of Gillette's spokespeople such as Tiger Woods have run into controversy after becoming endorsers for the brand. Does this hurt Gillette's brand Equity or marketing message? Explain.

3. Can Gillette ever become as successful at marketing to women? Why or why not?

**OR**

**Q.5**

Facebook has brought a whole new level of personal marketing to the world of business. The social networking Web site fulfills people's desire to communicate and interact with each other and uses that power to help other

**14**

companies target very specific audiences with personalized messages.

Facebook was founded in 2004 by Mark Zuckerberg, who was a student at Harvard University at the time and created the first version of the Web site in his hostel room.

Zuckerberg recalled, “I just thought that being able to have access to different people’s profiles would be interesting. Obviously, there’s no way you can get access to that stuff unless people are throwing up profiles, so I wanted to make an application that would allow people to do that, to share as much information as they wanted while having control over what they put up.” From the beginning, Facebook has kept its profiles and navigation tools relatively simple in order to unify the look and feel for each individual.

Within the first 24 hours the Facebook Web site was up, between 1,200 and 1,500 Harvard students had registered and become part of the Facebook community. Within the first month, half the campus had registered.

Eventually, in 2006, Facebook opened up to everyone. Today, Facebook is the most popular social networking Web site in the world, with over 500 million active users. The site allows users to create personal profiles with information such as their hometowns, work, educational background, favorite things, and religious affiliation. It encourages them to extend their network by adding other users as friends, and many people try to see how many “friends” they can accumulate. To interact with Facebook friends, users can send messages; “poke” each other; upload and view albums, photos, games, and videos; and “tag” or label people in their photos. They can post comments on friends’ “walls” and create status updates viewable to everyone. In summary, Facebook is fulfilling its mission to “give people the power to share and make the world more open and connected.”

Facebook has become a critical marketing component for just about any brand for several reasons. First, companies, sports teams, musicians, and politicians can create Facebook pages—a place to communicate to and with their fans. Facebook pages offer groups and brands a way to personally interact, build awareness, communicate, and offer information to anyone who takes an interest. Companies use Facebook to introduce new products, launch videos and promotions, upload images, communicate to consumers, listen to feedback, and create an overall personal look and feel. Even politicians from around the world—from the United States to the Philippines—use Facebook to push their campaigns and communicate with supporters on a local, personalized basis. Facebook also offers targeted advertising opportunities. Banner ads—the company’s major source of income—can target individuals by demographic or keywords based on the specific information they have placed in their profiles. Facebook’s growth and influence have been incredible. In one survey, college students named Facebook the second most popular thing in their undergraduate world, tied only with beer. And Facebook is not used only by undergrads. Of the 150+ million users in the United States, 29 percent are aged 35 to 54, while 25 percent are aged 18 to 24. Overall, women represent the fast-growing segment.

Facebook also tends to have a more upscale, educated, desirable

demographic than competitive social networks, and therefore it charges more for its advertising ads. In 2010, Facebook surpassed Google as the top Web site in the world based on unique visitors per month and also ranked number one for number of pages viewed per month. Facebook has become an important part of consumers' everyday lives and therefore a critical component in personal marketing strategies.

1. Why is Facebook unique in the world of personal Marketing?
2. Evaluate the personal marketing communications mix used by Facebook. What are the company's greatest strengths and risks?
3. Discuss some of the privacy issues that can be a challenge to Facebook. Will privacy restrictions limit its ability to Offer personal marketing opportunities?

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