



**UNIVERSITY OF PETROLEUM & ENERGY STUDIES
DEHRADUN**

End Semester Exam – 2017

**Program/course: MBA PSM
Subject: Marketing Management
Code : MBCM 771
No. of page/s: 11**

**Semester : II
Max. Marks : 100
Duration : 3 hrs**

Note: All sections are compulsory.

SECTION – A (20 Marks)

(2x10=20)

I. For marketing communication to succeed, the process that should take place in the minds of the customer's.....

- a. What the customer saw, heard, learned, thought, or felt while exposed to the advertisement must be processed and stored in memory.
- b. The stored information in the minds of the customer must be retrieved at the crucial moment when a customer faces a purchase decision.
- c. The customer exposed to an advertisement must be interested in the advertisement.
- d. Only a & b
- e. None of the above

II. The most important factor for gaining & sustaining attention is.....

- a. Make them interested
- b. Motivate them
- c. Celebrity Endorsement.
- d. Engaging Peoples Emotion
- e. None of the above

III. The rate of product change and competitive intensity if are high, the customer tends to buy competitors product if.....

- a. The company's product is Available

- b. The competitors Product is Available
- c. No Product Available in the Market
- d. The company's Product is not available.
- e. None.

IV. Fill the empty cell A, B, C.

		<div style="border: 1px solid black; display: inline-block; padding: 2px;">PROMOTION</div>	
<div style="border: 1px solid black; display: inline-block; padding: 2px;">PRICE</div>		HIGH	LOW
	HIGH	Rapid Skimming	A
	LOW	B	C

- a. Rapid Penetration, Slow Skimming, Slow Penetration
- b. Rapid Penetration, Slow Penetration, Slow Skimming
- c. Slow Skimming, Slow Penetration, and Rapid penetration
- d. Slow Skimming, Rapid Penetration, Slow Penetration
- e. Slow Penetration, Rapid Penetration, Slow Skimming

V. The first set of customers, who should be targeted, is the ones who are most likely to buy the new product. These first buyers are called as.....

- a. First Buyers
- b. Early Buyers
- c. Early Adopters
- d. Innovators
- e. Early majority.

VI. A successful brand may be rendered irrelevant if needs and circumstances of customers in its target market changes. In such a situation the marketers requires to.....

- a. Position their brand
- b. Rejuvenate the brand
- c. Promote the brand
- d. Reposition the brand
- e. Change the brand.

VII. A company adds a lower priced product to its product line is known as.....

- a. Product Mix
- b. Line Mix
- c. Targeting lower Segment
- d. Trading Down
- e. Product depth

VIII. Products that the customers do not actively seek are

- a. Technological product
- b. Specialty product
- c. Shopping product
- d. Unsought product
- e. Convenience product

IX. The realization of the fact that there is rarely any product that completely fulfils the desires of every customer equally given rise to the genesis of.....

- a. Product line extension
- b. New Product development
- c. Product mix
- d. Segmentation
- e. Target market

X. The technique that works in business-to-business advertising include promising the customer a benefit, news, testimonials and useful information is known as.....

- a. Business promotion
- b. Business Sales
- c. Business relation
- d. Business advertising
- e. Trade promotion

SECTION – B
(4x5=20 Marks)

Attempt any four questions. Each question carries 5 marks.

2. Advertising play a very important role in building and promoting the Brand over the period for the company. To state the importance explain the roles that an advertisement plays in managing the life cycle of the product and its economic utility to the company's top management as a consultant?
3. Cellular companies offer various schemes to their pre-paid customers. However, these schemes offer the same service mix including talk time, SMS etc. the charges differ. What kind of pricing strategy have cellular companies adopted? Explain.
4. . 'The Product life Cycle is one of the more pervasive concepts in marketing literature. The concept is valuable for product portfolio analysis and setting strategic objective. As a consultant to the company, determine the type of consumers likely to adopt at different stages in Life Cycle. Also, discuss entry strategies adopted by a company with respect to PLC.
5. Why should a company spend resources on positioning its product, when all that the customers want is a solution to their need? Do customers really care about the image of the product or the company? Discuss.
6. Channel Intermediaries serves several specialized functions that enable manufacturers to make their goods available to their customers at the right place at right time. The functions that a channel performs depend on the sophistication of the customer needs and existing level of technologies. Elaborate on the functions that channel intermediaries performs in the value network chain for the companies.

SECTION – C

(2x15=30 Marks)

(Attempt any two questions. Each question carries 15 marks)

7. For many firms, how to go to market – how to design a distribution system – is a key strategic marketing decision, with each approach providing a unique set of benefits and cost. What in your views a manufacturer should balance while taking a decision regarding distribution strategy? In addition, explain 'how' giving an example.

A company who would like to expand its market presence from Mumbai to Delhi What kind of distribution strategy would you like to suggest if they have a business of selling fresh flowers.

8. CEO of a Shipping Company, ABC Ltd, in the meeting with its strategic consultant is trying to understand the position of the company at its product level in the market for moving ahead and gain a competitive advantage in the market. As a consultant discuss the position of the company focused on generic strategies that the company may adopt to gain competitive advantage in the market. Discuss the steps that you would like to suggest the company to move ahead having adopted the chosen strategy?

9. With reference to the case 'KPCL', discuss the factors that attributed to the failure of the company stating the PESTAL / SWOT Analysis. The management of the KPCL decided to go for contract Manufacturing and the company received the offer from 'Pearson' and 'APL'. Analyze critically, the proposals extended by both the companies to KPCL for becoming CMU. Accordingly advice the management, as they had to decide soon as they were not sure whether other biscuit manufacturers were also interested in the opportunity and would out beat KPCL in approaching APL?

Section D: Analytical / Situational / Case based:

10. CASELET:

Samsung: A Success Story in Branding Strategy:

January 2009 Edition

Being ahead of the competition is the mantra of Samsung's success. In business, it always pays to reduce the lead-time, as being late in business means business is over, which happened in the case of many big brands and competitors.

By VARIndia Correspondent

It does not require the genius of a rocket scientist to recognize that branding is the lifeblood of any corporation. This was well recognized by Samsung Electronics Corporation (Samsung), way back in 1998, when the South Korea's leading consumer electronics giant entered into an agreement with the International Olympic Association (IOA) to sponsor the 1998 Seoul Olympics. The

message was clear. Samsung wanted to sponsor Olympics to establish itself as a global brand. And it became successful to a great extent too.

Samsung's association with the Olympics helped the company increase its brand visibility and brand recall among its consumers worldwide. In the late 1990s, Samsung forged several marketing alliances with companies' worldwide and sponsored events to enhance its brand awareness. Due to its marketing efforts, its brand value appreciated by more than 200 per cent from US\$5.2 billion in 2001 to its current \$10.8 billion. The company was ranked twenty-fifth in Inter-brand's list of the world's top 100 brands. In 2002, Samsung emerged as the only non-Japanese brand from Asia to be listed in the global top 100 brands valued by Inter-brand, the world's leading brand consultant. The company was ranked as the fastest-growing brand in the world by Inter-brand.

In spite of the worldwide slowdown, Samsung, whose sales are equivalent to some 20 per cent of South Korea's GDP, posted a net profit of 1.5 trillion Won for the third quarter of 2007-08.

In late 2008, Samsung emerged as the number one player in the US cell phone market by snatching the crown from Motorola. It also emerged as the world leader in the memory chip market. In 2007, Samsung spent more on R&D than IBM. The company has jumped to the second place in the number of patents granted by America's patent office (just behind IBM).

As a result of its commitment to innovation and unique design, SEA was ranked #6 in the electronics industry segment in the Fortune magazine's "Most Admired Companies 2008", and named as one of Fast Company's "Fast 50 Most Innovative Companies of 2008". Among popular Business Week rankings, SEC ranked #26 in the publication's "Most Innovative Companies of 2008" and #21 in the "100 Best Global Brands" for 2007. SEC is also a top patent holder, ranking second overall in the U.S. in 2007.

According to industry experts, the reason for these earnings over the years is Samsung's holistic approach to develop several strategies for different regions, but guided by one unified Samsung brand image building strategy. Samsung's branding strategy was launched by its Chairman Kun Lee in 1996. It was a coordinated global programme to make Samsung an international brand. Over the last one decade, Samsung has executed its comprehensive brand building strategy. The company's annual investment in branding and marketing is about US\$3 billion, which has been spent to increase its brand awareness around the world.

For any new company, when it makes its entry into the market, there are two ways to stimulate growth: intensive advertising campaign, and product offerings with unique functions. Samsung recognized the potential of both. "In terms of products, Samsung introduced its leading-technology display products as well as printers in the Indian market and carried out SI meets all over the country to educate the channel community on its new products," says Ranjit Singh Yadav, Director – IT, Samsung India.

However, the power of brand building exercise was not lost on the company. In fact, Samsung tilted more towards advertising and brand-making strategy – creating awareness of its name by investing large

amounts of money in million-dollar brand- making campaigns.

In India, Samsung, in order to create its brand awareness, signed seven cricket celebrities and in doing this it aimed to cash in on the popularity of cricket in India which is considered a religion in India. Instead of just ads featuring cricketers, Samsung launched its “Team Samsung India” campaign all over India. The focus of this concept was to create patriotism through cricketers, but under the Samsung brand name the banner reads “With Team Samsung”. The campaign was a huge success and it enabled Samsung to increase awareness of its brand. As a result, it began to make impressive growth in India.

“In India, Samsung’s investment on branding has spanned our brand building and corporate initiatives, product investments and investments in the channel,” says Mr. Yadav. “In the year 2008, Samsung supported the Olympics cause in India by way of sponsorship of the Indian team, the support for select members of the Indian team. The company also organized the biggest-ever national level school quiz on Olympics for school children. Consequently, its Olympic-related advertising campaign brought the company’s brand closer to customers.

“We supported the Indian team to the Beijing Olympic Games as well as provided scholarship support to six Indian athletes for their training expenses, including Abhinav Bindra whom we subsequently signed on as our Brand Ambassador for Consumer Electronics products, following his return from the Olympics,” adds Mr. Yadav. Samsung hugely invested in sports, as it knew that sports attract crowds. In the Athens 2004 Olympic Games, it was named as Worldwide Wireless Communications Partner of the Olympic Games, but not without a cost.

Samsung provided 14,000 mobile phones and also supported equipment during the games. They also presented themselves in the Olympic Torch Relay, which took place in 27 countries. They also showcased their products for 17 days to the visitors at the Olympic event and also allowed 30,000 minutes of free calling grabbing the audience to its brand.

It has been noted that older companies often portray their products as commodities and generally sell their products only on the basis of brand without enhancing their quality and lowering their price. However, Samsung has proved to be an exception to this. The company not only invested hugely in brand creation campaigns, it also remained a cut above the rest by introducing innovation. In order to create a somewhat different image, Samsung has positioned itself by developing innovative products, thus becoming a leader rather than a follower.

“Product innovation and channel expansion were the two key approaches that helped us grow our IT business in the year 2008 .We launched new categories like Digital Photo frames and entered the Notebook PC category with a comprehensive range of Notebooks and Netbooks. We enhanced our in-shop visibility through Shop in Shops within the channel, Shop boards as well as by adding over 100 channel partners in the B&C class cities,” says Mr. Yadav.

“Our channel engagement policy in 2008 included training the sales force on our new products and

technologies through the Samsung Marketing Academy; SI meets in smaller cities as well as educating the channel through our newsletters and other communication material. We also tapped the large format retail for our IT products,” adds Mr. Yadav.

The Success Secret

Being ahead of the competition is the mantra of Samsung’s success. In business, it always pays to reduce the lead-time, as being late in business means business is over, which happened in the case of many big brands and competitors.

For instance, the most advanced mobile phone has only two-mega pixel camera, but Samsung offered 5-mg phone in 2005. Samsung is offering new products lower than the market price. Yet, the company has been able to retain its standard and quality.

However, part of this success was also Samsung’s openness. The company opened up and recruited employees from a global pool of talent bringing in talent from various countries, making these people work together at one table designing the best product. This trend boosted the company’s perception and made it a global brand among the consumers. The strategy paid off and in the past five years, it has achieved the biggest gain among major brands, even surpassing Sony.

Samsung’s approach is holistic reaching the world customer. It created its branding in multiple ways, ranging from traditional adds to billboards, racing, Olympic games, cricket matches, marathons. In short, wherever it saw the crowd, it communicated Samsung message by presenting itself as a leader of innovation with affordable price.

In the year 2009, Samsung India is looking at strengthening both the product portfolio and the channel. The company will be tapping our existing brand shops as well as Large Format retail stores for our IT products.” We have just launched our comprehensive range of Notebook PCs and the ‘Live 360’ campaign for Notebook PCs. In the year 2009, we will be expanding our portfolio in Notebook PCs, Display products as well as our Printer range,” says Mr. Yadav.

Samsung India will be continuing with its channel expansion in the year 2009 as well. “We will be strengthening the corporate sales business based on our enhanced lineup,” adds Mr. Yadav.

“Market will see the introduction of new technologies in the marketplace and some of the trends that we saw in the year 2008 will get more pronounced. Thus, I expect the LCD Monitor category to dominate the market completely, even as the transition from Desk Top PCs to Notebook PCs and Netbooks will continue. The Widescreen format will continue to dominate in LCD monitors. Similarly, the 17” and 19” monitors will continue to dominate in terms of screen sizes. With the introduction of new technology and convergence products, the Large Format Retail will continue to be a significant channel for selling IT products,” says Mr. Yadav.

Finally...

Successful branding is all about establishing a long-term vision and crafting the company's operations to meet that objective. 'In 1993, as a first step in its globalization drive, Samsung acquired a new corporate identity. The company changed its logo and that of the group. In the new logo, the words "Samsung Electronics" were written in white color on a blue color background to represent stability, reliability and warmth.

The words "Samsung Electronics" was written in English so that it would be easy to read and remember worldwide. The logo was shaped elliptical representing a moving world"– symbolizing advancement and change.

It was this sort of huge investment where millions saw the Samsung's message. Their brand remained in the forefront of millions of people giving them an edge over its competitors. It is no surprise that Samsung's brand building strategy overtook its competitors in less than the expected time.

Questions: 10 Marks Each

Q10A. 'It does not require the genius of a rocket scientist to recognize that branding is the lifeblood of any corporation', the statement stand true on one hand but on the other hand brand challenges do exist. What you think are the factors contributing to Brand Challenges? Do you relay thing Samsung did faced such challenge in the market? How do you suggest to overcome such challenges?

Q10B. "Product innovation and channel expansion were the two key approaches that helped Samsung grow its IT business in the year 2008", How do you think that Product Innovation and Channel Expansion really helped the company in the growth of their business. In case, if you had been the Marketing VP for the company how you would have strategized the design of the channel in comparisons to the existing format to add more impetus to growth?

Q10C. How do you think that in the competitive market, Samsung showcased / proved its brand equity to the customers? What are the factors you think in common that the world's most popular brand shares between them?