



Course – MGTS C233– Principles of Marketing for Engineers

4th Year – Semester I – 2013-2014

Component	Comprehensive Examination	Date	2.1.2014
Maximum Marks	40	Duration	3 hours

I. Read the following case and answer the questions given at the end: [14]

Southwest Airlines entered the airline industry in 1971 with little money but lots of personality. Marketing itself as the LUV airline, the company featured a bright red heart as its first logo and relied on outrageous antics to generate word of mouth and new business. Flight attendants in red-orange hot pants served Love Bites (peanuts) and Love Potions (drinks). As southwest grew, its advertising showcased its focus on low fares, frequent flights, on-time arrivals, top safety record, and how bags fly free. Throughout all its communication efforts, southwest uses humor fun at itself and convey its warm, friendly personality. One tv spot showed a small bag of peanuts with the words, "This is what our meals look like at southwest airlines...it's also what our fares look like". Its ongoing 'Wanna Get Away?' campaign uses embarrassing situations to hit a funny bone with consumers. And its tagline: "Ding! You are now free to move around the country" is a self-parody of its in-flight announcements. This lighthearted attitude carries over to the entertaining on-board announcements, crews that burst into song in the terminal etc.

Southwest's business model is based on streamlining its operations, which results in low fares and satisfied consumers. The airline takes several steps to save money and passes the savings to customers through low fares. It flies over 3,100 short, point to point trips in a day – shuttling more passenger per plane than any other airline. Each aircraft makes an average of 6.25 flights a day, or almost 12 hours each day. Southwest can accomplish such a feat because it avoids the traditional hub-and-spoke system and has extremely fast turnaround service. In its early years, it turned planes around in less than 10 minutes. Today its turnaround averages 20 to 30 minutes still the best in the industry and half the industry average. Southwest's unique boarding process helps. Instead of assigned seating, passengers are assigned to one of three groups (A,B,C) and a number when they check in. the number refers to where they stand in line at the gate. Group A boards first and once on board, passengers may sit anywhere they like.

Southwest grows by entering new markets other airlines over price and under serve. The company believes it can bring fares down by one-third to be-half whenever it enters a new market and it expands every market it serves by making fling affordable o people who could not afford it before. Southwest currently serves 68 cities and 35 states, usually secondary cities with smaller airports that have lower gate fees and less congestion. As a policy, Southwest operates Boeing 737s for all its flights. This simplifies the training process for pilots, flight attendants, and mechanics and management can substitute aircraft reschedule flight crews, or transfer mechanics quickly.

According to Air Transport Association, jet fuel now accounts for 40 percent of an airplane ticket versus 15 percent just eight years ago. As a part of its fuel program, the company hedges fuel prices by purchasing options years in advance. It has purchased fuel at \$51 per barrel during 2000s when price drove past \$100 per barrel. It makes its planes lighter by for instance power washing their jet engines to remove dirt each night. It carries less water for bathrooms and has replaced its seats with lighter models. It consumes approximately 1.5 billion gallons of jet fuel each year and these changes saved \$1.6 million in fuel costs over just three months.

Southwest has pioneered services and programs such as same-day freight service, senior discounts, Fun Fares and Ticketless Travel. It was the first airline with a website, the deliver live updates on ticket deals and to post a blog. Despite its reputation for low fares and no-frills service, southwest wins the hearts of customer. It consistently ranks at the top of lists of customer service for airlines and receives the lowest ratio of complaints per passenger.

Southwest has been ranked by fortune magazine as the United States' most admired airline since 1997, the fifth-most admired corporation in 2007 and one of the top five best places to work. The company has been profitable for 37 straight years. It has been the only airline to report profits every quarter since September 11, 2001 and one

of the few with no layoffs amid a travel slump created by the slow economy and the threat of terrorism. The company's stock symbol on the NYSE is LUV and red hearts can be found across the company. These symbols embody the Southwest spirit of employees, "caring about themselves, each other and southwest's customers'. Our fares can be matched; our airplanes and routes can be copied. But we pride ourselves on our customer service," said Sherry Phelps, director of corporate employment. That's why southwest looks for and hires people who generate enthusiasm. In fact, having a sense of humor is a selection criterion it uses for hiring. As one employee explained, "We can train you to do any job, but we can't give you the right spirit". And the feeling is reciprocated. When Southwest needed to close reservation centers in three cities last year, it didn't fire a single employee but rather paid for relocation and commuting expenses.

1. Which elements of marketing mix has the company incorporated and focused on in its marketing strategy? Give examples from the case to illustrate your answer. [6 marks]
2. The company has adopted Cost Leadership strategy. Explain how the organization has made it work in its favor. [4 marks]
3. Why don't the other airlines copy Southwest's model? [2 marks]
4. What risks do southwest face? Can it continue to thrive as a low-cost airline in future too? [2 marks]

II. Read the case and answer the questions based on it: [8]

It is the heart of Chicago and it is deep freezer cold outside – just 5 degrees - and the snow is coming down hard. Never mind. Trey Parrott has just trudged up Chicago's Michigan Avenue to Chipotle Mexican grill for lunch. Parrott figures he has eaten at Chipotle every week since a friend first took him to one sever years ago. Today he has brought along a couple of co-workers who never been in a Chipotle before. Their initial review? Two thumbs-up.

Most fast food chains drum up traffic by barraging consumers with mass-media ads, trumpeting their newest product or latest deal. Chipotle Mexican Grill Inc. plays by different rules. The Denver based company eschews TV commercials and most other traditional advertising. It spends less in a year on advertising than McDonald's Corp., its former parent, spends in 48 hours. Instead Chipotle banks on customers to spread the word, and customers like Parrott routinely oblige. Same-store sales have a more than 10-year history of double-digit increases. Consumers consistently rank the chain, tops among all quick-serve Mexican places. Chipotle can also brag about the biggest bang of any initial public offering back in 2006. Since then its share price has more than quadrupled, to over \$100 in early 2008.

Whatever advertising Chipotle does is mostly on billboards or radio, touting the ample size or fresh ingredients of its burritos and tacos, though with a dash of irony. But its marketing budget is minimal. Over the 11 months of 2006, McDonald's spent \$818.9 m on traditional media advertising in the US while Yum! Brand Inc.'s Taco Bell unit spent \$252.4 m, according to Nielson Monitor-Plus. Chipotle's outlay over the same span: \$4.5 m. Chipotle spent less than 1% of its full-year revenue on ads compared to 4% or more by its larger rivals. The thriftiness goes back to chipotle's start in 1993, when Steve Eells, Chipotle's founder and chief executive opened a cramped outlet in Denver storefront. With only 85,000 to cover everything even a single ad seemed too costly. Besides, he thought that customers should be swayed first and foremost by the food, so instead of telling people about Chipotle's burritos, he gave them away. When dozens of reporters were camped out in Denver in 1997 as Timothy J. McVeigh was tried for the 1995 Oklahoma City bombing, Chipotle regularly delivered free food to the courthouse.

When Chipotle came to midtown Manhattan it gave burritos away to 56,000 people, some of whom stood in line for two hours. The stunt cost \$35,000, but the company landed 6,000 new spokespeople. "You could spend the same amount on an ad in the New York Times and you wouldn't have that many people talking about you", Eells points out. "The response to food is almost always positive. It's unique and it's tasty". But don't just take it from him; any Chipotle regular would probably say the same thing.

1. What kind of a promotion strategy is the company using successfully? Use examples from the case to explain. [3]
2. How could it make this strategy effective by using other elements of the marketing mix? [3]
3. Do you find these strategies to be more persuasive than traditional advertising messages? Give reasons. [2]

III. Answer the following: [9]

1. When Haagen Daaz first started selling a green-tea ice cream in Japan, it became a must-have product. People lined up for hours outside of ice cream parlours, waiting patiently to eat this much-sought dessert. Not only is the company selling their entire inventory, the shortage is pushing prices higher, and potentially creates a frenzied atmosphere around the product. Identify the kind of demand that is prevalent here? Explain how demand is different from want.
2. Lands' End sells clothing by mail order and the internet. It began offering customers the ability to order jeans, men's dress shirts and other items to their exact measurements. Not only are customers willing to pay more for this service, but 25% of the people who choose this option are new customers and 50% of customers purchase made-to-measure items more than once. Identify the type of marketing adopted by Lands' End. What are the problems in this type of marketing?
3. Follett Corporation specializes in the education market by serving over 760 schools, colleges, universities in the United States and Canada. The company's slogan 'Powering Education Worldwide' is based on the firm's goal to be leading provider of educational solutions, services and products to schools, colleges, libraries, students and lifelong learners. Identify the pattern of target market selection. What is the advantage in this type of target marketing?
4. Eric Soule, the semiconductor engineer at Linear Technology Corp., was about to launch a new chip. In the conference room, he anxiously explained to senior managers why his amplifier chip should sell for \$1.68, a third more than its rivals. His boss's reaction: 'If the amplifier chip was so advanced and the first of its kind, charge even higher. Pricing power does not last forever'. What kind of pricing method is he talking about? At which stage in the product life cycle will this method work and why?
5. Charming Shoppes Inc. competes with other clothing sellers by appealing to plus-size teens; it sells designer labels in sizes 14 through 32. The company identified that there weren't many big retailers catering to this particular group as the number of buyers were not of huge profitable numbers. But the buyers were willing to pay slightly higher prices for quality clothes that fit them. Identify the kind of marketing segmentation that Charming Shoppes Inc. has adopted. What are the features of this segment?
6. Woodland, a brand for outdoor wear that focuses on footwear, has prominently displayed awareness message on its website that cautions the consumer to buy either from the 300 company owned stores across the country or from 3000 select authorized dealers and official online retailers only. What kind of distribution does the company follow? Why does the company adopt this strategy?

IV. Comment on the following: [9 marks]

1. Characteristics of business market vary from consumer market.
2. Marketers change their strategies as products move from one stage of product life cycle to another.
3. Channel functions bring about a lot of flows between suppliers of raw material and final consumer.
4. There is no single pricing strategy; the optimum pricing strategy depends on the objectives of an organization.

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I. Read the case and answer questions given at the end:

CitiCard offers its Upromise Card to those who want to earn money to save for college, its Platinum Select Card to those who want no annual fee and a competitive interest rate, its Diamond Preferred Rewards card to customers who want to earn free rewards like travel and brand-name merchandise and its Citi AAdvantage Card to those who want to earn American Airlines Advantage frequent-flyer miles to redeem for travel. What kind of targeting is the company following? What are the advantages and problems in this type of targeting?

Commerce Bank has positioned itself as 'the most convenient bank in America', it remains open seven days a week, including evenings and you can get a debit card while you wait.

Disney believes in hiring people who are friendly and upbeat, who can perceive customer needs and make them happy; It trains its theme park people thoroughly to ensure that they are competent, courteous and friendly – from the hotel check-in agents, to the monorail drivers, to the ride attendants, to the people who sweep Main Street USA

a. Pepsi-Cola is promoting its low-calorie, vitamin enhanced water, Aquafina Alive to consumers who are health conscious. Psychographic- lifestyle

7. The Hawaiian tourism board knows that April is the quietest time for visitors to come to their islands. They recently started a new campaign in 2005, Hawaii Arts, to draw visitors during April. Focusing on the rich existing arts scene in Honolulu and surrounding area they advertise in the Smithsonian Magazine and the New Yorker, upscale magazines popular with the East Coast upper income class.
8. When Haagen Daaz first started selling a green-tea ice cream in Japan, it became a must-have product. People lined up for hours outside of ice cream parlours, waiting patiently to eat this much-sought dessert. Not only is the company selling their entire inventory, the shortage is pushing prices higher, and potentially creates a frenzied atmosphere around the product.
- 9.
10. The marketing vice-president of KLM Airlines wants to increase the airline's traffic share. His strategy is to build up customer satisfaction through providing better food, cleaner cabins, better trained cabin crews and lower fares; yet he has not authority in these matters. The catering department chooses food that keeps down food costs; the maintenance department uses cleaning services that keep down cleaning costs; the human resources department hires people without regard to whether they are naturally friendly; the finance department sets the fares. Because these departments generally take a cost of production point of view, the vice president of marketing is stymied in creating a marketing mix. Which component of holistic marketing is required here? Justify with your explanation. **Integrated marketing.**



Course – MGTS C233– Principles of Marketing for Engineers

4th Year – Semester I – 2013-2014

Component	Test 2 (Open book)	Date	20.11.2013
Maximum Marks	20	Duration	50 minutes

I. Read the following case and answer the questions given at the end: [4+6=10]

For more than seven decades, Caterpillar has dominated the world markets for heavy construction, mining and logging equipment facing some stiff competition from Komatsu. The big CAT has captured some 37% of the worldwide construction and farm equipment business, more than double that of number two – Komatsu. The main competitors that Caterpillar faced when it entered the Japanese market were Komatsu and Mitsubishi. The company of Komatsu was especially dangerous to Caterpillar due to the fact that it was the second largest EME Company worldwide. Due to this danger Caterpillar decided to penetrate the Japanese market through a joint venture with Mitsubishi. Caterpillar Mitsubishi Ltd. is now the No. 2 maker of construction and mining equipment in Japan. Komatsu has been a leader in innovative quality-control initiatives ever since President Yashinari Kawai decided fight back in the face of the Caterpillar/Mitsubishi joint venture. He set 2 goals: acquire the best advanced technology from overseas, and Total Quality Control (TQC) systems. New licensing arrangements were set with International Harvester, Bucyrus-Erie, and Cummins Engine. Within 3 years of launching TQC initiatives, Komatsu was awarded the Deming Prize for quality control. Despite the Caterpillar/Mitsubishi JV, Komatsu was able to increase market share to 65%. Chairman Kawai managed Komatsu with a tight grip; he was an admirer of his American competitor, CAT. So much so that he often spoke of modeling his company after it. Although an admirer, Kawai cherished the thought of beating CAT. He developed an in-house slogan of MARU-C which means 'Encircle Caterpillar' and obsessively monitored events at CAT. He chose not to be satisfied with a 65% domestic market share, and shifted his efforts on developing areas of Eastern Europe, Asia, and the America's. Komatsu name became synonymous with quality and value as lower salary base and lower raw material costs enabled Komatsu to offer a discounted, quality piece of equipment. Komatsu, which also designed the mining industry's first driverless trucks, started selling the automated bulldozers in the U.S. last month and plans to phase out its standard operator-controlled models. The machines will likely attract customers in Europe and the U.S., the home turf of bigger rival Caterpillar Inc., where labor costs for vehicle operators are high, in a bid to keep pace with global competitors.

The Caterpillar slogan, 'Buy the Iron, Get the Company' is not an empty slogan but a powerful value proposition. It means that when you buy CAT equipment you become a member of the CAT family; the company does not just stand behind its products, it stands with its products. Freeport Mc-Moran is a CAT customer that operates one of the world's largest copper and gold mines, 24 hours a day, 365 days a year. High in the mountains of Indonesia, the mine is accessible only by aerial cableway or helicopter. Freeport Mc-Moran relies on more than 500 pieces of Caterpillar mining and construction equipment-worth several hundred million dollars-including loaders, tractors and mammoth 240 ton, 2000 plus horsepower trucks. Many of these machines cost well over \$1 million apiece. When equipment breaks down, Freeport Mc-Moran loses money fast. It gladly pays a premium price for it knows that it can count on Caterpillar for superb support. The behaviours and actions of Caterpillar employees support the values of Integrity, Excellence, Teamwork, and Commitment. Caterpillar people demonstrate a passion for innovation and customer service. Their diverse workforce speaks over 100 languages and is bound by a common goal: 'making the world better tomorrow because of the work we are doing today.'

The company maintains an extraordinary dealer support. It maintains 36 distribution centers and 1,500 service facilities around the world, which stock 320,000 different parts and ship 84,000 items per day, every day of the

year. In turn dealers have made huge investments in inventory, warehouses, fleets of trucks, service bays, diagnostic and service equipment and information technology. Together caterpillar and its dealers guarantee parts delivery within 48 hours anywhere in the world. The company ships 80 percent of parts orders immediately and 99 percent on the same day the order is received. When a machine is delivered to a customer, the company ensures that it is in the condition it is supposed to be in. Its design and operating characteristics meet established standards and required specifications. A machine's health is carefully monitored during its lifetime by scheduling maintenance to prevent costly downtime. The operators training program is scrutinized to ensure that the life of a machine is lengthened. Hence it is no wonder that the waiting line for some of Caterpillar's biggest equipment is years long.

1. What kind of a positioning strategy did Komatsu follow?
2. Identify various differentiation strategies adopted by Caterpillar in gaining competitive advantage. Pick out suitable sentences from the case and justify with reasons.

II. Identify the specific types of segmentation in the following cases. Give your justification for the same: [1x 6 = 6]

- a. American Express's super-elite Centurion card is a much coveted black card that is issued by invitation only to customers who spend more than \$250,000 a year on other AmEx cards. The select few, who do receive the card, pay a \$2500 annual fee just for the privilege of carrying it.
- b. When Kellogg's introduced its multi-grain cereal, it has tried and succeeded in its attempt to change the image of cereals to that of an 'any time' snack, rather than simply a breakfast meal.
- c. News Corporation restructured STAR Asia into four units to cater to different market segments – Star India, Star Greater China, Star Select for the Middle East, Fox International Channels Asia
- d. Star India has 33 channels including the popular Star World, Star Sports, Star Movies, Star Gold, and Channel V.
- e. Intel identified three segments of end user in the desktop computer market: basic PC users who required limited power, mainstream performance seekers who wanted more power and were prepared to pay more for it and enthusiasts for whom computing power was vital.
- f. Nintendo has launched a sub-brand Touch Generations, which offers video games such as 'Brain Training: How old is your brain?' The aim is to exercise the brain by offering less violent, less fantasy based titles that appeals to a different segment.

III. According to the company that makes WD-40: WD-40 literally stands for water displacement 40th attempt. That's the name straight out of the lab book used by the chemist who helped develop WD-40 back in 1953. Norm Larsen, was attempting to concoct a formula to prevent corrosion, a task which is done by displacing water. Norm's persistence paid off when he perfected the formula for WD-40 on his 40th try. He was working on a line of industrial rust-prevention solvents and degreasers for use in the aerospace industry. In 2000, the company launched a search to uncover 2000 unique uses for WD-40 and received around 200,000 individual submissions. It narrowed the list to the best 2000 and posted it on the company's website. One teacher uses WD-40 to clean old chalkboards in her classroom. One man uses it polish his eye glass; another uses it to remove a prosthetic leg. Two of the craziest purposes for WD-40 include a bus driver in Asia who used WD-40 to remove a python snake which had coiled itself around the undercarriage of his bus, and police officers who used WD-40 to remove a burglar trapped in an air conditioning vent.

1. In which stage in the product life cycle is the product present? Why do you think so? [1]
2. What strategies would be suitable for this product at this stage? [3]

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- g. Pepsi-Cola is promoting its low-calorie, vitamin enhanced water, Aquafina Alive to consumers who are health conscious. Psychographic- lifestyle

IV. Identify the specific types of segmentation in the following cases. Give your justification for the same: [1x 6 = 6]

- a. American Express's super-elite Centurion card is a much coveted black card that is issued by invitation only to customers who spend more than \$250,000 a year on other AmEx cards. The select few, who do receive the card, pay a \$2500 annual fee just for the privilege of carrying it. Demographic - income
- h. When Kellogg's introduced its multi-grain cereal, it has tried and succeeded in its attempt to change the image of cereals to that of an 'any time' snack, rather than simply a breakfast meal. Behavioural - occasions
- i. News Corporation restructured STAR Asia into four units to cater to different market segments – Star India, Star Greater China, Star Select for the Middle East, Fox International Channels Asia geographic
- j. Star India has 33 channels including the popular Star World, Star Sports, Star Movies, Star Gold, Channel V. Psychographic- lifestyle
- k. Intel identified three segments of end user in the desktop computer market: basic PC users who required limited power, mainstream performance seekers who wanted more power and were prepared to pay more for it and enthusiasts for whom computing power was vital. Behavioural - benefits
- l. Nintendo has launched a sub-brand Touch Generations, which offers video games such as 'Brain Training: How old is your brain?' The aim is to exercise the brain by offering less violent, less fantasy based titles that appeals to a different segment. Demographic - age and life cycle stage

1. The Hawaiian tourism board knows that April is the quietest time for visitors to come to their islands. They recently started a new campaign in 2005, Hawaii Arts, to draw visitors during April. Focusing on the rich existing arts scene in Honolulu and surrounding area they advertise in the Smithsonian Magazine and the New Yorker, upscale magazines popular with the East Coast upper income class.
2. When Haagen Daaz first started selling a green-tea ice cream in Japan, it became a must-have product. People lined up for hours outside of ice cream parlours, waiting patiently to eat this much-sought dessert. Not only is the company selling their entire inventory, the shortage is pushing prices higher, and potentially creates a frenzied atmosphere around the product.
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4. The marketing vice-president of KLM Airlines wants to increase the airline's traffic share. His strategy is to build up customer satisfaction through providing better food, cleaner cabins, better trained cabin crews and lower fares; yet he has not authority in these matters. The catering department chooses food that keeps down food costs; the maintenance department uses cleaning services that keep down cleaning costs; the human resources department hires people without regard to whether they are naturally friendly; the finance department sets the fares. Because these departments generally take a cost of production point of view, the vice president of marketing is stymied in creating a marketing mix. Which component of holistic marketing is required here? Justify with your explanation. **Integrated marketing.**



Course – MGTS C233– Principles of Marketing for Engineers

4th Year – Semester I – 2013-2014

Component	Test 1 (Closed book)	Date	25.09.2013
Maximum Marks	25	Duration	50 minutes

- I. **Identify the type of orientation revealed by the following statements: (2 marks)**
- Marketing begins with what customers want and need.
 - Marketing is to build a great product that functions nicely; automatically customers will beat a path to your door.
 - The image of marketing has become frozen as that of a pushy salesperson with a smile, promise and handshake.
 - Marketing means to focus on the internal capabilities of a firm and continue to do what it is good at doing.
- II. **Answer the following: (10 marks)**
- Which component of holistic marketing makes the following statement: 'Marketing is doing well by doing good'?
 - By clicking on www.edmunds.com a car buyer can find the stated features and prices of different automobiles, with links to modes of car financing, car accessories, car servicing, customer & mechanic reviews and used cars at bargain prices. What is the term given to this type of market?
 - YPB&R advertising agency, publishes the national travel monitor for both leisure and business markets every year. The monitor profiles travel patterns and market segments in the travel industry. This research is very useful for any business connected to the travel industry such as airlines, hotels and cruise lines who can buy this data from the agency. Identify the type of marketing research firm.
 - For over two generations, environmentally-concerned consumers have experienced what psychologists call as cognitive dissonance. These drivers need to drive a vehicle daily, yet experience a sense of guilt or remorse since they know they contribute to global warming. To overcome this sense of conflict, they want automobile manufacturers to sell a zero-emission vehicle. Identify the type of demand present here.
 - It is important for the organization's senior management to adopt marketing principles, other functional departments to coordinate activities relating to marketing and employees to be trained in customer service before the organization can actually step outside to deliver what it promises. Which component of holistic marketing is being referred to here?
 - SBI Capital Services is lead manager for 10 year bond instruments issued by Coal India Ltd. What is being marketed here?
 - Sharp Electronics had to make a decision by choosing from the following options: exporting, licensing and franchising, direct investment or joint venture. Which type of customer market is Sharp Electronics planning to enter?
 - In an in-store observational study assessing the impact of government mandated labels on consumers' search for nutrition information, the researchers positioned observers in the aisles for three product categories in 3 chain grocery stores located in three states of the country. Which type of sampling method is observed here?
 - In 2003, McDonald's announced their first loss in their corporate history. Obesity levels in the Western world have skyrocketed over the last two decades. As a consequence, even

McDonald's loyal customers stayed away from the fast food giant as they increasingly chose to eat lower calorie and healthier foods such as salads, and low-carbohydrate foods. Identify the demand for McDonald's foods.

10. Philips, a household name in consumer electronics focuses on customer value triad. What does it mean?

III. Read the case and answer questions given at the end:

a) You are marketing manager of Harley Davidson Motorcycles and 90% of your bicycles are sold to men. You believe women are great potential target markets but have little success selling Harleys to them. Through a market research you identify: (i) What are the differences in demographic characteristics (gender, age, income) with respect to purchase and use of Harley? (ii) How many women would be in the market for a motorcycle and more specifically for a Harley? (iii) Does an increase in Harley Davidson advertising directed toward women lead to increased sales towards this segment? Identify the three types of market research you have done here. **(3 marks)**

b) 8 women who are interested in bikes (may or may not own one) are called to discuss about bikes to learn how women relate to them. A professional moderator carefully moves the conversation through a defined agenda in an unstructured open format. Which specific type of data collection method is the company resorting to? **(1 mark)**

c) The company plans to use online methods for collecting data from market research. Give two disadvantages of this method. **(1 mark)**

IV. Identify the components of marketing mix present in this case by pointing out the relevant statements:

Ford Motor Company spends almost \$2.4 billion each year on advertising, more than \$600 per vehicle, to tell consumers about the company and its many products. Apart from thousands of parts, the Ford Escape has several models and dozens of optional features. The company partners with a large body of independently owned dealerships, who keep an inventory of Ford automobiles, demonstrate them to potential buyers, negotiate prices, close sales, and service the cars after the sale. The dealers offer discounts, trade-in allowances, cash rebates and credit terms in order to positively affect buyer's perception of car's value. **(4 marks)**

V. Explain two main trends in recent times that are changing the marketing landscape and challenging marketing strategies. (4 marks)

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12. When Haagen Daaz first started selling a green-tea ice cream in Japan, it became a must-have product. People lined up for hours outside of ice cream parlours, waiting patiently to eat this much-sought dessert. Not only is the company selling their entire inventory, the shortage is pushing prices higher, and potentially creates a frenzied atmosphere around the product.
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14. The marketing vice-president of KLM Airlines wants to increase the airline's traffic share. His strategy is to build up customer satisfaction through providing better food, cleaner cabins, better trained cabin crews and lower fares; yet he has not authority in these matters. The catering department chooses food that keeps down food costs; the maintenance department uses cleaning services that keep down cleaning costs; the human resources department hires people without regard to whether they are naturally friendly; the finance department sets the fares. Because these departments generally take a cost of production point of view, the vice president of marketing is stymied in creating a marketing mix. Which component of holistic marketing is required here? Justify with your explanation. **Integrated marketing.**



BITS Pilani
Dubai Campus

Course – MGTS C233 – Principles of Marketing for Engineers
4th Year – Semester II – 2013-2014
Quiz – 2

Name :

Date : 17.12.2013

Id No :

Duration : 20 minutes

Marks: 7

Answer all questions:

1. Dell used its brand name in the laptop industry to expand into printers and consumer electronics such as LCD and plasma televisions. Identify the type of brand extension. What is the advantage and disadvantage of brand extension? [1.5]
2. The creators of the movie Iron Man earned several hundred million dollars in revenue by offering other manufacturers (Burger King, Sega, 7-Eleven etc.) the right to use brand elements in exchange for a percentage of sales. What is this branding strategy called? [0.5]
3. Personal selling is required for which type of goods? [0.5]
4. Tata entered the jewelry segment with their brand Tanishq which is distributed exclusively by Tanishq outlets and are priced higher than the jewelry by other manufacturers. Tanishq jewelry can be categorized under which type of goods? [0.5]
5. When there is a brand extension, a sub brand is created. True or False? [0.5]
6. Owens-Corning is the only brand of fiberglass insulation that can be pink. What is this pink color trademark a part of? [0.5]
7. In 1985 Phillip Morris paid \$12.9 billion for Kraft Foods, almost four times its book value. For which intangible marketing asset can the extra financial value be attributed to? [0.5]

8. At which stage of the product level in the customer value hierarchy does brand positioning and competition takes place? [0.5]

9. Marketers present their brand names carefully using the word 'brand' and the registered trademark symbol as in "BAND-AID® Brand Adhesive Bandages". Name one important criterion in brand element that is present here. Give your reason. [1]

10. Give at least two reasons how branding is beneficial for an organization. [1]



BITS Pilani
Dubai Campus

Course – MGTS C233 – Principles of Marketing for Engineers
4th Year – Semester II – 2013-2014
Quiz – 1

Name :

Date : 27.10.2013

Id No :

Duration : 20 minutes

Marks: 8

Answer all questions:

1. While marketing consumer products that involve the latest technology, companies target and rope in teenagers to try their products because of their willingness to experiment and their ability to influence others to purchase products. What are these teenagers who are part of a reference group known as?

2. Name the buying situation where the purchaser wants some changes in the original good or service.

3. Aluminum producers use television and magazine advertisements to point out the convenience and recycling opportunities that aluminum offers to consumers who can choose to purchase soft drinks in either aluminum or plastic containers. Identify the type of demand for aluminum? Give reasons.

4. In a buying centre, name the role played by technical people who define specifications and provide information for evaluation of options.

5. The brand 'Salomon' is the creator of gear that is capable of giving mountains a straight up thrashing. Salomon Trail Shoes are heavier, with a thicker sole that can help maintain the integrity of the shoe, even in the toughest of conditions. The abrasion resistant material, superior gripping, outsole antimicrobial microfiber foot bed makes the shoe a true terror on the trail. Identify the brand personality as given by Jennifer Aaker and explain why you think so.

6. As a part of consumer buying process, customers recognize unfulfilled needs in various ways. Identify the two most common ways.

7. What are the personal factors that affect consumer behavior?

8. In individual buying behavior, what actions can be expected of a consumer who is dissatisfied with the product that he purchased?