



RF-4291

M.B.A. (Sem. II) (Full Time) (Regular), M.B.A. (Sem. II) Tourism & Hospitality Management (Regular, Batch 2009-2011, Restructured Course) & M.B.A. (Sem. II) (Evening) (Regular) Examination April / May – 2010 Marketing Management (New Course)

Time : 3 Hours]

[Total Marks : 70

Instructions :

(1)

नीचे दशांशके निशानीवाणी विगतो उत्तरवही पर अवश्य लिखनी. Fillup strictly the details of signs on your answer book.	Seat No. :
Name of the Examination : M. B. A. (SEM. - 2)	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
Name of the Subject : MARKETING MANAGEMENT	<input type="text"/> Student's Signature
Subject Code No. : 4 2 9 1 Section No. (1, 2,.....) : NIL	

- (2) All questions are compulsory.
(3) Marks allotted to each question are shown in the brackets at the end of the question.

1 Explain the major bases to segment consumer markets. 18
Give examples for each.

OR

1 Take a product of your choice and develop a marketing 18
plant for it.

2 How could a company harness technology for facilitating 16
its marketing strategy implementation?

OR

2 Take a product of your choice. Discuss the marketing mix 16
adopted by a company to market the brand.

- 3 A company producing wrist watches has just added jewellery to its product portfolio and has approached you for its positioning. The product is targeted at middle income and upper income households. The company is a leader in its other product lines. Work out a positioning strategy and its rationale. 16

OR

- 3 If you were the marketer for a new brand of automobile (car/SUV) to be introduced in India, what decisions would you take to commercialize or launch the product. 16
- 4 Write notes on (any two) 16
- (i) Marketing Information System
 - (ii) Holistic Marketing
 - (iii) Business situations that a business buyer faces
 - (iv) Price adaptation strategies.
- 5 Read the case given below and answer the following questions : 34
- (i) Compare the strategies of VIP and Samsonite.
 - (ii) Discuss the personal factors that affect consumer buying behaviour as seen from the case.

Luggage becomes a Lifestyle Statement

Travel is part and parcel of today's life. It may be business travel, a family holiday trip, pilgrimages, vacation in native place or a close cousin's wedding - travelling goes on. Once the destination is decided, the family members usually start working on the luggage they will carry. Earlier luggage meant steel trunks, unbranded bags and the ubiquitous holdall. Today, luggage has become a lifestyle statement, and one takes a lot of pride in walking down the lane with a

sleek VIP or a Samsonite bag. Baggage rules that restrict heavy luggage also have seen the big players of soft luggage sport a smile. Most of the market is still unorganized but given the BPO boom, the spending syndrome and rising income levels, coupled with affordable air travel, the luggage industry has been having a growth spree. The industry is also dishing out more stylish products and new revenue streams are also opening up - what with aggressive plans to cater to ladies' bags segment.



The branded luggage market in India is shared by leading brands like VIP, Samsonite, Aristocrat and Safari. In 1971, Dilip Piramal bought VIP industries from Jal Engineers. In 1988, he bought Universal, which is the company owning the Aristocrat brand. The two firms, however, were not merged. While Samsonite is positioned well in the premium segment and is the global leader in the segment, Safari and Aristocrat are relatively smaller brands.

While the total luggage market is to the tune of Rs. 1550-1600 crore, nearly 60 per cent of it is still unorganized. In branded luggage, soft luggage has a share of approximately 25-30 per cent and the balance is hard luggage. The soft luggage market is growing at a rate of 30-35 percent annually.

Based on toughness, the luggage market can be classified into soft luggage and hard luggage. Evidently, there is more movement in the soft luggage segment while the hard luggage is near saturation.

If one considers need-based segmentation, there can be categories like business segment, holiday segment and casual segment. Such a segmentation would help players draft communication strategies that focus on the proverbial 'why buy' question. Of late, it is not rare to see families and like-minded groups taking off for a short holiday - the reasons may be varying but the frequency is definitely high. This seems partly due to the high-pressure work environment which makes such decisions absolutely natural.

The industry can be segmented based on size and price, into premium, medium and low-price segment. The corresponding market sizes are pegged at Rs. 120 crore, Rs. 250 crore and Rs. 130 crore approximately.

VIP is the clear market leader with a share of around 61 per cent. Of this, 54 percent is held by the VIP brand and 7 percent is attributable to the 'Alfa' brand. However, in the premium segment, Samsonite is believed to be having a share of close to 80 percent. Samsonite is planning to venture into the medium segment with its 'American Tourister' brand. Safari and Aristocrat hold smaller percentage of shares.

One favourable factor is that Indians are increasingly spending more on lifestyle products. Soft luggage is slowly becoming a lifestyle product and people do like to make a fashion statement. Further, there is a big BPO population that likes to feed itself on modern products and follow the philosophy of 'have money, will buy'. The richer middle class is also a clear sign of better times for luggage segment. The mushrooming malls and higher interest on consumers and investors in the organized retail space is also helping the segment in a big way.

Blowplast handles the retail sales and distribution for VIP. After the buyout from Jal Engineers, VIP was initially converted into a 100 per cent subsidiary of Blowplast. VIP incurs around Rs. 18-20 crore on adspends across various brands and it has a share of 65-70 per cent of the industry.

Samsonite recently had an advertisement featuring none other than the chairman of Virgin Airlines, Richard Branson. Samsonite has also done away with its old logo and has a new tagline today. The swirl at the end in the logo has moved to the centre of the brand now. The ad shows Branson as quoting, "To me, business isn't about wearing suits or pleasing stockholders. It's about being true to yourself, your idea and focussing on the essentials", while the new base line signs off saying, 'Life is a journey'. Evidently, the communication seems to position soft luggage as a style statement.

Samsonite has come out with its premium line 'Black Label' and is also focusing on marketing its 'American Tourister' range. American Tourister would bring revenues for

Samsonite through its sales in the medium segment. They are planning to set up exclusive own stores. Samsonite is looking at Rs. 4 crore sales revenue from the Black Label collection in premium segment alone.

VIP has also got its act together. Last year, it acquired the Carlton brand based in Britain and plans to set up exclusive retail outlets for selling its high-end products. It has launched three 'VIP Lounges', its retail outlets in Ahmedabad. The company also sells the premium 'Delsey' brand. VIP has targeted sales of Rs. 90 crore from its soft luggage portfolio during 2006.

Blowplast believes that the key to maintaining leadership is to be relevant to the consumers across time frames. VIP has always ensured this and the new brand identity makeover is another step towards this objective. They will launch products that are category leaders. Their new campaigns are aimed at presenting the new look and profile of VIP of today's consumer so that they can relate to the brand as always. They are even updating their retail identity to present a new shopping and brand experience to their consumers.

Both VIP and Samsonite are having plans to venture into the ladies bags segment. This seems to be a green pasture for them as well as an additional revenue stream. The returns of growth rate are believed to be huge in this area.

As more and more people become conscious of the world being a connected village, frequent travel is the immediate fallout. As luggage slowly moves up to become a lifestyle

segment, style is becoming a key. The luggage segment clearly is on a growth track. The rich BPO employee, progressing economy, blooming malls as well as growing organized retail are all busy laying the foundations of sustainable growth for this industry.
