**New Delhi Institute of Management**

**PGDM (G) / PGDM (M) / PGDM (F)**

**PGDM 2021-23 Semester-I**

**End Term Examination | January, 2022**

**PAPER 2 (SET-A)**

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**Sub.: Marketing Management Paper Code: C-105**

**Max. Marks: 20 Duration: 1.5 Hour**

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***Notes: All the 2 cases have to be attempted and all questions are compulsory***

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***CASE 1 : Vinayak Samant Purchases A Tyre***

Vinayak Samant works as a bank manager at Indore. He has been working in the banking industry for the last 20 years and has done exceptionally well as a banker. His wife works in a local college and his children are aged 8 and 11 respectively. Samant has purchased a farmhouse on the outskirts of Indore and lives in a peaceful environment. He drives a sedan to his office but has a Gypsy at home. On some holidays, he drives to nearby places and spends quality time with family. As he is preoccupied with work, he does not devote more time to his family; hence, his wife uses the Gypsy more often than him. She takes the children to school and finishes shopping for the family during the week.

In one of their dinner table discussions, she complained of the sound that the vehicle had started making of late and feared it may be a serious problem, as she had to use the vehicle for dropping the children at school. As Samant was worried about the problem with the car, he had to cancel one of his weekend trips. The sound from the car seemed to increase over the weeks and Mrs Samant often brought it to Samant’s notice. Samant decided to use the Gypsy to office for a day to examine the problem. On the way to office, he noticed that the sound had increased and there was an erratic sound with the steering. While driving back home, he stopped on the way and checked with a local garage.

The boy in the garage looked like a novice as he was only around 20 years of age; he just drove the car around the garage and told Samant that the tyres needed to be changed as they were very old. He showed the wires coming out of one of the tyres in the front wheel. Samant was not convinced with the boy’s decision and thought there could be more to the problem than what met the eye.

During one of the weekends, when he drove to a nearby garage, Samant was told that the vehicle needed a tyre change but the shock absorber seemed to be affected as well. Samant thought of changing the tyres and repairing the shock absorbers. His colleague Ashish said that X tyres were available at Rs 5500 per tyre and four tyres would cost him Rs 22000. Ashish also said that Y radial tyres were available in the market at a price premium of Rs 6000 per tyre.

Samant decided to visit one of the tyre stores in city. Though it was a multi-brand outlet, the dealer was pushing him to buy Z tyres, which were available at Rs 5500 per tyre. The salesperson said that other than the brand name, a buyer normally looks for the rubber grip, the radial, grip and diameter of the tyre base. The salesperson also told him that he might get the tubes at a discounted price if he buys five tyres in one go. Samant had seen few tyre advertisements in newspapers and thought about them, their features and pricing.

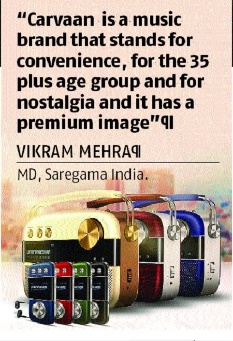
Samant thought of discussing with the city garage and service station before making a final decision. He expected his total expenses for the tyre change to be around Rs 20000. After taking the opinion of the garage mechanic and Ashish, he decided to buy five Z tyres and repair the shock absorbers. His bill came to Rs 35000 as he had to replace one of the shock absorbers and repair the other three. While driving home, he was feeling happy about the vehicle. The sound was gone and the vehicle could be driven smoothly. He was convinced that there would not be any problem with the vehicle for the children. However, he was worried about the amount spent on the car and thought of cancelling the denting job with the vehicle for some time.

**Questions**

1. What kind of behavioral pattern did Samant follow in his choice about the brand of tyre? **(5 Marks)**
2. The case ends with a note that he was worried about his spending but was happy with the work. As a brand manager of Z, what should you do to make Samant feel that he has taken the right decision?

**(5 Marks)**

***Case 2 : Saregama***

In 2017 Saregama launched Carvaan, a device with 5,000 old songs loaded in. It became a huge hit selling over two million units so far and rejuvenating India's oldest music company.*The company is extending the brand into live musical events that reimagine old Bollywood hits*Disco Dancer is one those cult films that only an eighties kid can get. Mithun Chakraborty dancing to Bappi Lahiri’s ‘I am a Disco dancer’ is part of the 80’s nostalgia package; just like Anil Kapoor movies, Nazia Hasan and George Michael. Disco Dancer with all its kitsch comes alive later this year at the National Sport Complex of India in Mumbai and at the Jawaharlal Nehru Weightlifting Indoor Auditorium in New Delhi. The 40 people Broadway-style musical produced by Saregama’s Carvaan Musicals has been reimagined by music composers Salim-Sulaiman. Also on the anvil is another show by Carvaan Musicals, based on another iconic eighties film that [Saregama](https://www.business-standard.com/topic/saregama" \t "_blank)owns the music rights to, Subhash Ghai’s Karz.And that begs the question: What are the limits of brand extension?

In 2017 [Saregama](https://www.business-standard.com/topic/saregama" \t "_blank)launched Carvaan, a device with 5,000 old songs loaded in. It became a huge hit selling over two million units so far and rejuvenating India’s oldest music company. Then came the variations, in Tamil, Marathi and other languages and Carvaan Minis around special themes such as Gurbani or Bhagwad Gita readings.

In 2019 came the phone-shaped Carvaan Go with 3,500 songs and Carvaan Lounge in association with Amazon Prime Music. “Carvaan Lounge is about new singers giving a twist to old songs,” says Vikram Mehra, managing director, [Saregama](https://www.business-standard.com/topic/saregama" \t "_blank)India. Think of it as a Coke Studio kind of platform that renders versions from Saregama’s most precious asset, its library of 120,000 songs across 18 languages. In 2019 it also began to offer Carvaan Wifi giving curated access to non-Saregama music, podcasts and other pieces of content. Earlier this year came Carvaan Earphones and a content partnership programme. And now the stage productions. Has Saregama stretched the brand Carvaan too much?

“It hasn’t,” says brand strategy consultant, Lubna Khan. “A lot depends on how you define your brand and the brand promise. It is perfectly fine to redefine the brand when you are looking to grow and look at adjacent categories. But it is important to check what the new extension would borrow from the core brand or what would it build back in the brand,” she explains. “Carvaan is a music brand that stands for convenience, for the 35 plus age group and for nostalgia and it has a premium image,” says Mehra. And everything it has done so far is true to that, he contends. For instance, many people in the target group would love to attend a music concert. But the experience is often disappointing. Bad loos, uncomfortable seats or poor food make live events in India a mixed bag that many older people prefer to miss.

Carvaan Musicals is an attempt to offer the same mix of nostalgia and convenience in music. Khan agrees, “Nostalgia, convenience, simplicity with regards to access to music is what the core brand (Carvaan) is about. They (Saregama) have tried to bring it out through other things.” The key to successful extension lies in sticking to what the brand is about, even if there is a lucrative opportunity to extend it, says Khan.

This then begs a second question. What do these extensions mean for the top line and bottom-line? The answer is a complex one. Saregama had been meandering along, even stagnating in some years till 2017 when it launched Carvaan. From Rs 231 crore in FY2017 the firm’s revenues have grown to Rs 601 crore in FY 2019. Music accounts for Rs 489 crore of this amount. The rest is from producing TV content, films (under the Yoodlee banner) and publications (Open magazine). Over the same period overall margins have more than doubled.

The Rs 489 crore from the music business comes from Carvaan, licensing income from OTTs, music platforms, TV firms and just about anyone that wants to use Saregama’s library. Plus, there are ad revenues from its thriving YouTube presence. Carvaan arguably brings a larger proportion of music revenues, but it comes at a price. The licensing business on the other hand is profitable since much of its earnings go straight to the bottom-line. But Carvaan has helped create a virtuous circle. The music library generates revenue, which is invested into new businesses and which, in turn, helps strengthen the library. This makes the licensing business even more profitable. With wheels under its feet, it is going to be a while before Saregama stops spinning Brand Carvaan.

**Questions CO2**

1. Critically analyze the marketing strategy of Saregama Caravan. **(5 Marks)**
2. What suggestions would you like to give to Saregama to increase their revenue? **(5 Marks)**