

FACULTY OF MANAGEMENT STUDIES

UNIVERSITY OF DELHI

Semester Examination 2012

Name of Examination: MBA (FT)

Paper Name: Marketing Management

Paper No.: 6105

Time allowed: 3 Hours

Maximum Marks: 50

Part A is compulsory. Attempt any three questions from Part B.

Maximum marks are indicated against each question.

Marks	Q1.	<p>Part-A</p> <p>Read the following case and answer the questions given at the end of case:</p> <p>Case: Is There a Harley for Everyone?</p> <p>More than a century after the first Harley-Davidson motorcycle hit the road; the company dominates the U.S motorcycle market. The company teetered on the brink of bankruptcy in the 1980s and then roared back with a renewed focus on product quality. Now, with annual worldwide sales of nearly \$6 billion, Harley-Davidson is building a solid foundation for future profits by focusing on younger customers and women.</p> <p>According to the Motorcycle Industry Council, the average age of motorcyclists is 42. The average age of Harley-Davidson's customers is 48, but its customers are intensely loyal to the iconic brand. If the company can bring in younger customers, especially first-time buyers, it has a good chance of keeping them as they trade up to more powerful and expensive motorcycles in the coming years. As a result, Harley-Davidson is putting special targeting emphasis on consumers in their 20s and on women. Its newer models marry the brand's image of freedom and individuality to motorcycles with styling, performance, and features that appeal to those two segments. To attract first-time buyers as well as experienced riders trading up to better bikes, Harley-Davidson prices its motorcycles starting at \$6,695 and offers financing and insurance, as well.</p> <p>Buyers can also order limited-edition motorcycles custom-built with distinctive paint designs and accessories, to express their personality. However, Harley-Davidson selects annually only a small number of orders for custom-built bikes. Not surprisingly, these custom products are in high demand in all targeted segments, despite their higher price tags.</p> <p>To encourage new riders to learn to safely ride a motorcycle and then perhaps buy a Harley-Davidson bike, many of the company's dealers offer the Rider's Edge driving course. In the past decade, thousands of consumers have graduated and earned a motorcycle license through this course. The</p>
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Rider's Edge also helps experienced riders to hone their riding skills and learn special techniques for riding in groups.

Although competitors, such as Yamaha and Suzuki, are targeting younger motorcyclists worldwide, Harley-Davidson sees its uniquely American brand and its reputation for quality as two major strengths. Knowing that members of its target market are passionate about motorcycles, the company offers tours of its factories in Wisconsin, Pennsylvania, and Missouri. It also set up the Harley-Davidson Museum in its headquarters city of Milwaukee, with 130,000 square feet of exhibits featuring Harley-Davidson products of the past, present, and future.

On the lifestyle side, the Harley Owners Group (HOG) fosters a sense of community among customers, young and old, male and female. HOG's more than a million members enjoy benefits such as access to dozens of exclusive group rides, a special customer service hotline, and subscriptions to motorcycling magazines. In addition, members can use the Harley-Davidson website to plan travel, book hotels, rent bikes, or ship their bikes for their next riding adventures.

Like a number of companies, global economic woes have been a real challenge for Harley-Davidson. Sales of the most profitable models are declining, while sales of low-profit models are increasing. The company still builds and sells more than 300,000 motorcycles each year, but its ability to grow profitably depends, in large part, on the success of its targeting strategy.

Questions:

1. What targeting strategy is Harley-Davidson using, and why is it appropriate? (5)
2. Of the four categories of segmentation variables for consumer markets, which are being used by Harley-Davidson? (5)
3. Why is it important for Harley-Davidson to monitor the marketing segmentation efforts of competitors like Yamaha and Suzuki? (4)

Part-B

Answer any three Questions (3x12)

- Q2. Discuss the types of consumer buying behavior. Which one would you most likely use while buying: (a) LED, (b) Coffee? Give reasons in support of your answer.
- Q3. You are the manufacturer and owner of a small independent chain of shoe stores competing with Bata. The retail price of your shoes is almost the same as at Bata. The wholesale price you pay for leather shoes has increased by 20%. You cannot absorb this increase and have to pass it on to your customers. However, you are concerned about the consequences of an open price increase. Discuss three alternative price-increase strategies that address these concerns.
- Q4. What factors does a cosmetics company need to consider when designing its marketing channel for a new low-priced line of cosmetics?

Q5.

Discuss the major factors changing the face of today's marketing communication. In what way the decision of promotion mix related to a product's life cycle?

Q6

Write short notes on any two of the following:

- a) Market Driving Vs Market Driven organizations
- b) Consumer Adoption Model
- c) Social Marketing
- d) Benefits of Direct Marketing