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# G.L. Bajaj Institute of Management & Research

Plot No. 2, Knowledge Park-III, Greater Noida (U.P.) - 201306

POST GRADUATE DIPLOMA IN MANAGEMENT (2017-19)

MID-TERM EXAMINATION (TERM - I)

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Paper Name- **Marketing Management I**  
(Paper Code)- **PG-02**

Time: **90 Minutes**  
Max Marks: **20**

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## Note:

1. Answer all the Questions

### Section - A

1. Read the case and answer the questions below:

(4+4= 8)

Korean consumer electronics giant Samsung has made a remarkable transformation, from a provider of value-priced commodity products that original equipment manufacturers (OEMs) sold under their own brands, to a global marketer of premium-priced Samsung-branded consumer electronics such as flat-screen TVs, digital cameras, digital appliances, semiconductors, and cell phones. Samsung's high-end cell phones have been a growth engine for the company, which has also released a steady stream of innovations, popularizing the PDA phone, the first cell phone with an MP3 player, and the first Blu-ray disc player. Samsung initially focused on volume and market domination rather than profitability. However, during the Asian financial crisis of the late 1990s, when other Korean *chaebols* collapsed beneath a mountain of debt, Samsung took a different approach. It cut costs and reemphasized product quality and manufacturing flexibility, which allowed its consumer electronics to go from project phase to store shelves within six months. Samsung invested heavily in innovation and focused intently on its memory-chip business, which established an important cash cow and rapidly made the company the largest chip maker in the world. The company continued to pour money into R&D during the 2000s, budgeting \$40 billion for 2005–2010. Its focus on R&D and increasing digital convergence has let Samsung introduce a wide range of electronic products under its strong brand umbrella. The firm also partnered with longtime market leader Sony to create a \$2 billion state-of-the-art LCD factory in South Korea and signed a milestone agreement to share 24,000 basic patents for components and production processes. Samsung's success has been driven not only by successful product innovation, but also by aggressive brand building over the last decade. From 1998 to 2009, the company spent over \$7 billion in marketing, sponsored six Olympics, and ran several global ad campaigns themed "Imagine," "Quietly Brilliant," and "YOU," all which included brand messages such as "technology," "design," and "sensation" (human). In 2005, Samsung surpassed Sony in the Interbrand brand ranking for the first time and continues to outperform Sony today. The economic downturn during 2008 and 2009 significantly affected the semiconductor industry, overall consumer electronics sales, and Samsung's bottom line.

To survive, Samsung slashed profit margins, decreased production, and cut inventories. As a result, the company emerged at the end of 2009 with record-high quarterly profits despite significantly smaller profit margins. Today, Samsung is the global leader in flat-panel TVs and memory chips, and the number two player in mobile phones. It is focused on growing technologies such as smart phones and has partnered with both Microsoft's Windows Mobile and Google's Android software. In addition, Samsung has formed a green partnership with Microsoft to help create energy-efficient computers. Unlike rival firms, Samsung has become a global leader by making both components for electronics products and the actual devices sold to consumers and without acquiring major competitors. It has more than doubled its employees from a decade ago to over 164,000 around the world. With record sales of \$110 billion in 2008, the company's CEO, Lee Yoon-woo, announced the firm hopes to hit \$400 billion in revenue by the year 2020. To accomplish this aggressive goal, Samsung will explore areas like health care and home energy products.

**Case Questions:**

- (i) What are some of Samsung's greatest competitive strengths?
- (ii) Samsung's goal of \$400 billion in sales by 2020 would bring it to the same level as Walmart. Is this feasible? Why or why not?

**Section- B**

- 2 List the Product Life Cycle stages and suitable marketing strategies for any 2 stages for its sustenance and growth? (2)
- 3 List the difference between Consumer Market and Industrial Market? (2)
- 4. Explain BCG Matrix with the help of TATA / RELIANCE ? (2)

**Section - C**

- 5. Discuss in brief the Marketing Management Philosophies? (3)
- 6. Describe the Macro Environment prevailing in India? How does the knowledge of socio-cultural environment be helpful to a marketer in market planning? (3)