

**ITM****(INSTITUTE FOR TECHNOLOGY & MANAGEMENT)
MUMBAI****PGDM / GLC - 2016-2018 BATCH****MARKETING MANAGEMENT****END TERM EXAMINATION OCTOBER 2016****Duration: 2:30 Hrs.****Max. Marks: 60****Section - A****Q1. Case Study (Compulsory) 15 marks****R-Jio sends a message to rivals: It's war**

The gloves are off in India's high-decibel war of the waves as Reliance Industries Ltd. (RIL) chairman Mukesh Ambani used the company's 42nd annual general meeting to spell out aggressive plans for the long-delayed and much-awaited Jio 4G services.

With audacious tariffs, low-cost phones and free voice calls for lifetime, Reliance Jio Info-comm Ltd. looks set to kick off a new phase of turbulence in the worlds' fastest growing telecom market. The ensuing battle will certainly see a realignment of the telecom sector with the weaker players succumbing to the massive spending power of Jio, whose scorched earth policy of spending its way to market leadership may not, however, thrill its existing shareholders.

But for telecom users in India, particularly those that have been on the margins of data usage, inhibited by high rates and uneven services, this could be a bonanza, particularly once Bharti Airtel and Vodafone India Ltd unleash their own competitive data tariff plans.

Jio will price mobile phone data as low as Rs.50 per gigabyte (GB), Bharti Airtel slashed 4G and 3G mobile internet changes by up to 80% to as low as Rs.51 per GB under a special scheme in anticipation of the Reliance Jio launch.

"Rs.150 at the entry level is still above India's voice ARPU (average revenue per user) but the flip side is that they have made voice free," said Kunal Najaj, a consultant for telecom, digital/Internet and tech ventures. "That is something that could create disruption because any one who is spending over Rs.150 on voice and uses a little bit of data and is willing to upgrade to a 4G handset will do so. That is where the disruption will come in."

Through the aggressive posturing, there was also a note of caution in Ambani's speech to shareholders. "Incumbent operators have advantages over new entrants, have well-established networks, customers. New entrants require fair access to both. Therefore, the onus is rightly on the incumbent operators not to misuse their market power by creating unfair hurdles," he said, indicating that he is aware of the formidable fortress that Bharti Airtel, in particular, has in place, including enough spectrum for nationwide 4G coverage.

“We welcome Reliance Jio's entry to the digital world and wish them the very best,” Airtel said in a statement. “As a responsible operator, we will fulfill all our regulatory obligations as we have always done,” it added.

“This changes the paradigm for the telecom industry. Having said that, all telecom operators have the same technology and are rolling it out. Pricing pressures will build up for telcos as they fight for market share but rules for customer experience will apply to all. Everybody has shareholder returns to take care of along with banks and debt, so this needs to be seen objectively,” said Hemant Joshi, partner at Deloitte Haskins and Sells.

Thus, Reliance Jio's 4G network, which spans 18,000 cities and towns and over 200,000 villages, expects to cover 90% of India's population by March.

To this end, the company is creating an entire ecosystem with Jio which comes with its own device, a free SIM card, a data plan, its own media content, apps such as JioChat and JioPlay. Reliance Jio has more apps in its inventory than any other telecom operator and many of them can take on some of the best apps in the entertainment business. Interestingly, some of the apps are already making the users flip over to them and are topping the charts of the most popular apps on Google Play Store.

By making data as the key hinge of their announcement and offering free apps worth Rs.15,000, the company has made clear its focus on value-added services (VAS). In an effort to fight back, other telecom operators will be forced to refresh their VAS offerings including partnerships with VAS providers and start-ups.

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Reliance Industries Ltd. (RIL) chairman Mukesh Ambani also announced “We have plans to partner with thousands of Indian entrepreneurs, whose digital ventures can bloom in the ground that Jio is preparing. For this purpose, we have created a Jio Digital India Startup Fund”.

In an effort to target students, Jio will offer them 25% more data on plans and special services for enterprise customers by offering them “competitive and unique customized solutions.”

Cheap data is just one of RIL's planks to take on current operations. For a newcomer to the telecom sector, Reliance Jio has created quite a buzz. The operator already has multiple smart phones lined-up under the LYF brand with features designed to take advantage of various services. Even the most basic phones support 4G VoLTE technology, for example. The firm is also planning to sell smartphones as cheap as Rs.2,999 and WiFi routers for Rs.1,999. It has also promised improved service quality in areas such as booking a new connection.

Reliance Jio has played its early cards but Bharti Airtel, Vodafone and Idea aren't expected to sit still. They have huge turfs to safeguard and the momentum of existing customers to back them. A no-holds barred battle for the Indian telecom customer is one the cards.

The status quo telco business model is built around access with delivery being the key. With Reliance Jio trying to change that model by focusing on content and software an interesting clash is in the offing.

With the consumer mindshare and loyalty switching at the drop of a hat, telecom operators must undividedly focus on what truly matters: delivering unparalleled customer experience. The recent technology investments by Airtel and Vodafone on Data Analytics exemplify this. Greyhound research believes that in the end, the winners in this game will be the ones who offer consistent and reliable experiences and not necessarily free services.

- Detail out the various competition strategies adopted by the new challenger RelJio in this telecom service sector. How are the leaders likely to retaliate? (7.5)
- Enumerate the targeting and positioning strategy of RelJio, also stating the POP & PODs created. (7.5)

Section - B

Applied Qs

Attempt any 3 from Q2 to Q6 (Each Q carries 10 marks)

Q2. The Internet of Things (IOT) – where seemingly ordinary devices connect to each other and the internet to make them more than the sum of their parts (think fridges that know when you're out of milk and then order more for you) – is still more a concept than a reality for many.

That is steadily changing as more and more devices arrive on the market but, like the spokes on a bicycle wheel need a hub to connect them, those devices need to be linked up to be useful. Samsung's SmartThings hub hopes to be that central pin that connects them all.

The majority of IOT devices – from smart plugs to thermostats, door sensors to security cameras – come with their own apps, their own systems and connections, and many of them do not speak to each other. That's where Samsung's SmartThings hub attempts to step in, as the grand unifying box – one IOT command and control centre to rule them all.

Where in the Product Life Cycle is the IOT? Also explaining the BCG matrix, state where would you place IOT in the Matrix? Explain the strategies that the company should adopt at that particular quadrant of the matrix and why?

Q3a. Today, Patanjali manufactures more than 500 different products with a 'specialisation' in production of FMCG. Now its founder and Yoga Guru Ramdev, with its goal of taking on foreign manufacturers, is planning to venture into the production of clothes, shoes, jeans etc.

Q3b. With the recent launch of Pixel Mobile phone, Google is embarking on a wholesale revamp of its mobile phone strategy, debuting a pair of slick and powerful handsets that for the first time will go head-to-head with Apple Inc.'s iconic iPhone.

In the above a & b, what kind of strategy is used? Explain using Ansoff matrix.

Q4. Refer to the ad clipping attached and explain how marketers are building the right CPV for the product? Also explain the value creation & delivery process of the product with reference to the same ad.

Q5. Today, beauty has become a very personalized category for consumers who expect their identities to reflect in their choices. The challenge for brands is to create personalities in order to attract a specific set of consumers.

We find that there are six dimensions of beauty which exist in India. The first consists of brands with energy and dynamism. We call this dimension as 'Bold'. The next dimension of beauty is 'Inventive' where we see brands associated with innovation and providing unique proposition to the consumers. Some brands focus on getting the basics right and delivering the core benefits to consumers. This is 'No-Nonsense' dimension of beauty. Then there is the dimension of 'Genuine' where brands stand for trust and authenticity as well as claim delivery of performance and quality. The next dimension 'Posh' consists of brands which own class and prestige along with delivering style and glamour. Finally, some consumers would like a dash of fun and charm in their lives and expect their beauty brands to deliver the same. These brands fall in the 'Flirty' dimension of the beauty category.

An understanding of these dimensions can help a brand define their value proposition for the different segments created on the basis of psychographic and behavioural segmentation. Elaborate on this statement.

Fit in the VALS model on the above mentioned segments of beauty category.

Q4

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