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POST GRADUATE DIPLOMA IN MANAGEMENT (2021-23)
END TERM EXAMINATION (TERM -II)

Subject Name ; **Strategic Marketing**Time: **02.30 hrs**Sub. Code : **PG22**Max Marks: **40****Note:**

All questions are compulsory. Section A carries 5 marks: 5 questions of 1 marks each, Section B carries 15 marks having 3 questions (with internal choice question in each) of 7 marks each and Section C carries 14 marks one Case Study having 2 questions of 7 marks each.

SECTION - A

Attempt all questions. All questions are compulsory.

1×5 = 5 Marks

Q. 1 (A): Explain Guerrilla marketing with suitable examples.

Q. 1 (B): What makes Sales Promotion different from Advertising

Q. 1 (C): Explain Perceived-value pricing with an example.

Q. 1 (D): Explain Prospecting with an example.

Q. 1 (E): Differentiate between Focus Cost Leadership and Focus Differentiation Strategy. (CO1)

SECTION – B**7 x 3 = 21 Marks**

All questions are compulsory (Each question has an internal choice. Attempt any one (either A or B) from the internal choice)

Q. 2A: ‘Marketing channels are critical in nature and influence all other marketing mix decisions.’ Elaborate. (CO3)

Or

Q. 2B: Discuss the different conditions in which you would suggest using channels with different intensities? (CO3)

Q. 3A: A new company has introduced a FMCG product in the market. Suggest the promotion methods that the company should use and why? (CO3)

Or

Q. 3 B: Examine the recent integrated marketing communication campaigns adopted by BJP and Samajwadi Party in just concluded seven-phase UP election. According to you which political campaign is more impactful and how? Justify your answers with examples. (CO3)

Q. 4A: Choose a company of your choice and analyze the five forces for the company. (CO4)

Or

Q. 4B: Discuss three strategies suitable for a challenger in detergent market. (CO4)

SECTION - C

Read the case and answer the questions

7×02 = 14 Marks

Q. 5: Case Study: **Xiaomi Marketing Strategies In India**

According to the research made by Counterpoint, the number of smartphone users in India is 775 million in 2017, which is expected to grow to 917 million by 2020. With the intense development and growth of China's mobile communication and technology industry, many manufacturers have come up to take the advantage of growing market of mobile phone users. Approximately 1 billion people own a smartphone. This has led to birth of many of the world's famous mobile phone brands. One of the major brand, emerged in 2010 was Xiaomi. In this paper, background of

Xiaomi's, its marketing strategies, business models have been presented. Also, comparative analysis of marketing strategy of Xiaomi and other manufacturers has been done to understand the reasons for the market success and the exponential growth exhibited by the company. The current state of information available through various platforms has been used to perform the study. It has been inferred that, the primary reason for this exceptional growth has been the product quality at cheaper rate with a focus on customer feedback and requirements. The testimony to this fact is its ever expanding portfolio into various domains such as smart TVs, Speakers, home appliances, personal computers to name a few.

Building Brand Awareness

Xiaomi launched its first smartphone in 2014. At that time, even a foreign company couldn't survive in India with a simple phone because Xiaomi did it. Xiaomi was the first and the one of the few companies that sold their products online. This is a great strategy.

With the high number of people in India, there is no way how to differentiate the products from each other. Buying a foreign name brand and saying it is a local company is not going to make people understand that.

Xiaomi implemented a marketing strategy to defeat its competitors by using the big name brands in India. With this strategy, you can say that the phone is a Google phone or an Apple phone. Even people were not aware that Xiaomi or Motorola are Chinese companies. By using this strategy, you can say that the company is very close to the user. How? You can tell people about the features of the phone and offer it at a very good price. This is the reason why both Google and Apple are constantly looking to get into India and license their apps to the companies that make smartphones in India. If Xiaomi keeps this strategy, it is going to be a profitable company in the future.

Xiaomi business strategy can be classified as cost leadership. According to its founder and CEO Lei Jun, Xiaomi was founded on the belief that "high-quality technology doesn't need to cost a fortune." Accordingly, the company offers smartphones and other internet-technology products and services for affordable prices.

Xiaomi has become one of the most valuable startup from valued currently at US 50 Billion Dollars. It made huge success in the smartphone selling business by implementing mix market strategies which have proven highly successful in the global as well as domestic markets. Xiaomi has marketed itself in the lower and mid-tier of the market and has not established or tried to establish itself only a premium product manufacturer which has become one of its biggest strength. The strategy of creating the buzz of a company which has also been adopted by top tier brands like Apple and Samsung has been successfully created by Xiaomi and has beaten Apple and Samsung on the price fronts. Adopting guerrilla marketing as a way of reducing costs along with use of word of mouth publicity and building strong consumer bond has helped Xiaomi to come this far.

On a wider perspective, Xiaomi business strategy is based on the following pillars:

1. Gathering and utilising a large fan base. Xiaomi has a large fan base involving millions of people across the globe. Fans spend countless hours online discussing Xiaomi products on various forums, thus increasing the level of brand awareness with no extra cost for the company. The mobile internet company enjoys cult-like following, the same way as its major competitor Apple.

According to its business strategy, Xiaomi fosters, develops and encourages its fans via Mi Fan Festivals that involves discounts and gifts. The motto of the company is "Just for Fans" and the company is also known to recruit its new employees among Mi Fans.

2. Designing great products at a reasonable price. Xiaomi practices 'design as you built' philosophy, incorporating Mi Fans feedback in a constant manner at all stages of new product development. Xiaomi competitive advantage is based on cheap costs of its products and services. In simple terms, cheap costs of Xiaomi products and services is the main reason for consumers buying those products and services.

3. Constant optimization of products through eco-chain. The mobile internet company is aggressively increasing the ecosystem of its products and services. This is another important aspect of Xiaomi business strategy. Currently, Xiaomi ecosystem comprises 55 companies including 29 companies which were incubated from the ground up by Xiaomi.^[2] The ecosystem produces ever-increasing range of products ranging from smartphones to rice cookers.

4. Xiaomi Triathlon: Hardware+New Retail+Internet. As it is illustrated in Figure 1 below, Xiaomi Triathlon sources of revenues consist of hardware, new retail and internet. Xiaomi positions itself as an internet and software company to a greater extent than a hardware company.

The company perceives the sales of hardware as a means to deliver software and services in the long-term perspective. Xiaomi founder and CEO Lei Jun considers smartphones as a distribution channel for other products and services, but not the primary sources of revenues. Nevertheless, currently around 80% of the company’s revenues are generated from selling smartphones.

5. Market Addressing

Before you enter a new market, it is very important to assess the needs and the potential users. What are they going to expect from the products? Which kinds of advertisements will work to grab their attention? In India, marketers focus on one thing – religion.

If it is your brand name or a well-known religion, it is likely to attract the attention of people. In some cases, people believe that the smartphone is a religious use and they will use it in their daily life for religious purposes. Like in most of the cases, the strategy used by Xiaomi is brilliant. They launched a collection of smartphones with different color options under the name of Invoking God. They were called Invoking God because they were meant to invoke God by their followers. Even the Xiaomi Invoking God did not work, but its publicity was stunning. The phones were not popular in India. But, their name was the good advertisement for Xiaomi.

Q5 A: As per the given case, in which following category do you consider Xiaomi.

1) Explain the current strategies adopted by **Xiaomi** and elaborate its competitive advantages. (CO5)

Q5 B: Describe the pricing and Promotion strategies adopted by Xiaomi in India. (CO2)

Mapping of Questions with Course Learning Outcome

Question Number	COs	Marks Allocated
Q. 1:	CO1	5
Q. 2:	CO3	7
Q. 3:	CO3	7
Q. 4:	CO4	7
Q. 5A:	CO5	7
Q. 5B:	CO2	7