

VPM's
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Subject	Marketing Management		
Roll No.		Marks	60 Marks
Total No. of Questions	7	Duration	3 Hours
Total No. of printed pages	5	Date	17.04.2018

Note: Q1 is compulsory and solve any FOUR from the remaining SIX questions.

Q1) 20 Marks (Compulsory)

Building on a brand - A HMV UK case study



HMV has one of the world's most instantly recognisable trademarks and its name is inextricably linked with the history of recorded music. Few, if any companies, have been more successful at establishing a brand image and associating it with its trading heritage, quality and service. This case study considers the importance of branding and the value of an established brand name when a company is looking to expand and to adapt its business in response to changing market conditions.

HMV

In 1921 HMV opened its first store in London's Oxford Street. Shopping in HMV's first store was very different from today? The shop sold mainly HMV branded goods. It was also fairly exclusive; some customers had accounts and were often served on a one-to-one basis. Outside of London, HMV products could only be purchased from exclusively appointed dealers. By the late 1950's and early 1960's all this changed: The 45-rpm single format was introduced and artists like Elvis and The Beatles heralded the start of a rock 'n' roll revolution. Since the 1960s, HMV has broadened its product range in response to changes in home entertainment trends. It is now the UK's leading specialist retailer of music, DVD and computer games. The company has a 25% share of the domestic music market .

The Importance of a Brand

Branding helps make products and services distinctive from those offered by rivals. Brands are generally based around a trade name e.g. HMV, Coca-Cola and Nike. A brand will usually incorporate a logo, colour, Jingle & Image. Branding is about creating brand values that customers come to associate with the product. HMV's core brand values are based firmly on customer service - the company seeks to give people the widest possible access to recorded music and home entertainment products through:

- Outstanding product range across all genres
- Knowledgeable and dedicated staff
- Heritage & authority
- Support for British Artists and New Music

These are qualities for which HMV is recognised, appreciated and trusted by its customers.

Building a Brand

HMV has been building its brand for over 80 years through:

- Stocking the widest possible range of titles, based on trading experience and an appreciation of customer requirements
- Building a relationship with its customers - always seeking to be the first to offer new products, releases and 'added-value' wherever possible
- Recruiting and training knowledgeable staff, dedicated to providing the best possible service
- Creating vibrant and stimulating store environments in key shopping locations.

HMV reinforces its positive brand image through advertising and other promotional activities. The company currently uses the advertising tagline 'Top Dog for Music, DVD & Games'. This clever play on words is simple, versatile, and immediately conveys its offer to the public. Customers are likely to be loyal to a brand in which past experience has built trust. John Lennon was a frequent visitor to HMV's Oxford Street store, whilst Michael Jackson is also a regular shopper. Brand loyalty is important because, as with many other sectors of retailing, there is fierce competition between rival stores.

The Market

The market for pre-recorded music is becoming increasingly polarised. At one end are 'discount' retailers who may use products as loss leaders to gain share from each other. At the other end are specialist stores like HMV, which focus on providing a quality service based on added-value, product knowledge and range.

HMV believes in providing music, DVD's and games for people in whatever format they require. Customers are broadly based and have a wide range of 'eclectic' tastes rather than being confined to a particular niche market - many modern consumers want to dip into several different types of music. While HMV has to meet the requirements of a broad market place, it also has to keep the dedicated enthusiast, who may have specific interests, happy. HMV communicates with its target audience through advertising in appropriate specialist media, and supports this in-store with effective merchandising and expert staff.

Not all cities can support stores of similar size. Electronic stock control and ordering systems help overcome this problem. If the local smaller-town HMV does not have what you want in stock, it can rapidly find an HMV store that has the item and will arrange for you to receive it as soon as possible. The brand image is thereby sustained.

The Retail Experience

For many people, shopping is a pleasurable, social experience. Interacting with staff in vibrant store interiors creates its own buzz and, for many, beats Internet browsing and downloading. Spending time in a music store is something we are all familiar with from an early age. Indeed, you probably still have an affectionate memory of your first record or CD purchase, and of the excitement and anticipation of that experience.

Part of a brand's image relates to store design and operation; an HMV store needs to look, feel and sound just how its loyal customers have come to expect. Consistency brings with it recognition and reassurance, the kinds of feeling that cause many people who are 'out shopping' to drift into music stores rather than walk on by. Buying music, DVD's or games is often a shared experience. It is something to be enjoyed and then talked about with friends. Like other enlightened retailers, HMV seeks to make the purchasing experience as intimate and enjoyable as possible. That is all part of the brand.

HMV is committed to the retail experience and believes that record stores will remain central to the way the majority of buyers will seek to purchase their music and home entertainment products for the foreseeable future. However, HMV has also embraced new technologies and other shopping channels, such as the Internet in order to broaden the choice available to its customers. Indeed, in 1997 HMV was one of the first music retailers

to launch a website - www.hmv.co.uk. Just one year later it became transactional and by 2001 it had passed the break-even point and registered a profit. A significant development in 2002 saw it tie up with content provider OD2, to make more than 125,000 songs available on-line for paid-for downloads.

Successful marketing involves providing customers with the best possible combination of product, promotion and price. To achieve this, HMV seeks to:

- Use its accumulated retail knowledge and market research to understand their requirements, and to communicate through the most appropriate forms of advertising and marketing activity
- Create a compelling retail offer, based on a comprehensive range of titles, which seeks to add 'value' through regular campaigns and other promotional offers
- Support this offer in-store through targeted promotion and merchandising, including the use of in-store radio and listening posts and the latest plasma screen video walls.

Looking forward

The big opportunities for retailers in the music industry are the:

- Rapid developments in technology and the products on offer
- Changing nature of customers' expectations.

Over the years HMV has stocked and sold it all, including: 78s; LPs; audio cassettes; CDs; Mini Discs and now DVD. As the leading specialist retailer in this market, HMV has to be part of this process of change, and to anticipate where the market is heading and to plan accordingly.

As a customer-focused company, HMV seeks to provide what consumers want, whilst recognizing that new technology and new products help to shape their requirements. A great deal of judgment is involved in deciding which products to stock in depth and give space to. Not every product, however initially appealing, turns out to be a winner; and not every recording artist proves to be a stayer. Successful retailers are therefore the businesses who 'get it right' more often than not. The key to success lies in understanding changes in customer requirements - finding out what they require rather than seeking to force change on them.

Although HMV's brand values are drawn from its heritage it also recognizes the vital importance of looking to the future and promoting New Music. In 2002, and to great acclaim, HMV launched its 'playlist' sampler. This features exciting new talent and is given away free with all New Music purchases. As a music specialist, HMV has always supported emerging artists and championed new music, seeing itself as a showcase for their talents in order to bring them to a wider audience. The chain stages many in-store personal appearances (PAs) - usually album signings, but increasingly also live performances. Over the years it has hosted appearances by superstar artists like Paul McCartney, Tina Turner, Robbie Williams, The Spice Girls and Kylie Minogue, whilst recently Stereophonics, Coldplay and David Bowie have all made appearances. Ultimately, it keeps coming back to HMV's basic trading ethos of giving people the widest possible access to recorded music.

Picking winners is not easy, but through HMV's retail experience and knowledge, combined with its instinctive understanding of its customers, the company is able to work with record companies and other suppliers to make informed judgements in support of major product releases and new formats like DVD.

The music industry has always lived in 'interesting times' and is not for the faint-hearted. Given the scale of the HMV operation, the sums committed to 'getting it right' in response to changing products and changing retail patterns are enormous. A long history does have advantages; in changing times, having a positive brand identity not only gives HMV an important competitive advantage over of its rivals, it also helps to create the basis of continued growth in future.

Conclusion

As one of the world's most recognised names HMV realises the importance of adapting to meet the requirements of customer demands. Brand heritage and reputation are key factors in giving an organisation status and competitive advantage but these strengths must be built on continuously in a market place characterised by ever-changing developments in technology and rising customer expectations. HMV has been successful in rising to this challenge by developing a range of exciting and innovative new ideas designed to enhance the brand and its reputation into the future.

Answer the following Questions (4*5= 20 M)

1. Define Branding? What are the core brand values of HMV?
2. Which qualities of HMV are recognised and trusted by its customers?
3. How HMV has built its Brand over the years?
4. What is successful Marketing? How HMV has seeks to do it?
5. What are the big opportunities in the music industry and how has HMV responded to it?

Attempt Any FOUR from the Remaining SIX Questions

Q2) Answer the following multiple choice questions. 10 Marks

1. **Good marketing is no accident, but a result of careful planning and** ----- . (a)Execution (b) Selling (c) Research (d) Strategies.

2) **The Soccer World Cup is promoted aggressively to both companies and fans. This is an example of marketing a(n) _____.**

- A) Idea
- B) Place
- C) Luxury item
- D) Event
- E) Service

3) **The task of any business is to deliver ----- at a profit.**

(a) Customer needs (b) Products (c) Customer value (d) Quality.

4). ----- **is a process of identifying the areas of market that are different from one another.**

(a) Marketing (b) Segmentation (c) Promotion (d) Targeting.

5). **A banking product is an example for -----.**

(a) Tangible product (b) Generic product (c) Potential product (d) Intangible product

6) **The value of an offering is described as _____.**

- A) The price consumers are charged for a product
- B) The cost of manufacturing a product
- C) The degree to which consumer demand for a product is positive
- D) The sum of the tangible and intangible benefits and costs to customers
- E) The intangible benefits gained from a product

7) **Marketers often use the term _____ to cover various groupings of customers.**

- A) People
- B) Buying power
- C) Demographic segment
- D) Market

8)**The process of selecting one or more market segments to enter is called _____**

- A) Market targeting
- B) Market dominance
- C) Market positioning
- D) Market segmentation
- E) Market research

9) **The goal of positioning is _____.**

A) To locate the brand in the minds of consumers to maximize the potential benefit to the firm

- B) To discover the different needs and groups existing in the marketplace
- C) To target those customers marketers can satisfy in a superior way
- D) To collect information about competitors that will directly influence the firms' strategy
- E) To help the firm anticipate what the actions of its competitors will be

10) BMW's "The ultimate driving machine," American Express' "Don't leave home without it," New York Times' "All the news that's fit to print," and AT&T's "Reach out and touch someone" are all examples of _____.

- A) Brand slogan
- B) Brand personality
- C) Brand mission
- D) Brand architecture
- E) Brand vision

Q3) Any two from (a) or (b) or (c) _____ (5x2) = 10 Marks

- a) Differentiate between Transactional based Marketing and Relationship based Marketing.
- b) Explain the Brand Association for Nike and its most important marketing strength.
- c) Define Product and Product Level for the choice of your product category.

Q4) Any two from (a) or (b) or (c) _____ (5x2) = 10 Marks

- a) Identify following Taglines or Brands for the following
 1. The best the man can get
 2. I am loving it
 3. Polo
 4. Maggie
- b) What is Value and Exchange? Explain with the appropriate examples.
- c) Explain the CBBE model of Brand Equity.

Q5) Any two from (a) or (b) or (c) _____ (5x2) = 10 Marks

- a) What is new product? When do you call when the product is new? Give examples of new products of your generations.
- b) What is positioning? What are the characteristics of Brand Positioning?
- c) What are Product Extensions? & Line Extensions? Identify the followings
 - 1) Dove Shampoo
 - 2) Diet Coke

Q6) Any two from (a) or (b) or (c) _____ (5x2) = 10 Marks

- a) Explain the New Product Development steps in detail.
- b) How brands are helpful to Consumers and Manufactures?
- c) Is Product Form is important or Product Functionality? Apply it to the Mobile Product Category.

Q7) Any two from (a) or (b) or (c) _____ (5x2) = 10 Marks

Write short notes on

- a) Commercialization of the New Product
- b) Brand Awareness
- c) Product Life Cycle with appropriate examples.