

Jagan Institute of Management Studies
End-Term Examination, September, 2016
Trimester I – PGDM (RM) 2016-18

Marketing Management I
ET_RM_MM-I_2709

Time: 3 Hrs.

M. Marks: 70

INSTRUCTIONS: Attempt any FIVE questions including Q1 & Q7 which are compulsory.

- Q 1** Attempt the following:
- a) Discuss briefly the importance of conducting exhaustive market research? What are the essential components and trends to be examined prior to formulation of competitive marketing strategies? **6**
 - b) What are the factors which stimulate consumer buying behavior? Assume that a consumer is planning to purchase a two wheeler – state the steps involved before the consumer ends up buying a specific product? **6**
 - c) Distinguish between advertising and sales Promotions? Do you agree that aggressive sales promotion tactics if adopted frequently would erode the brand value of a firm? Explain with examples. **6**
- Q 2** Distinguish between Demographic, Psychographic and Behavioural segmentation? Why is it necessary for firms to develop segment profiles before selecting the target markets? Outline the segmentation strategies of firms engaged in retailing business, FMCG, and airlines? **12**
- Q 3** The concept of marketing has undergone a dramatic transition where firms have switched from a product oriented approach to a customer oriented approach? Evaluate this statement and explain why acquisition, satisfaction, and retention of customers are critical for sustaining competitive advantage in the marketplace? **12**
- Q 4** Give a diagrammatic illustration of the Product Life Cycle Model? Outline the innovative marketing strategies that firms would pursue at the various stages of the product life cycle? Explain with relevance to firms like Sun Pharma, Maruti Suzuki, and Reliance Telecom? **12**
- Q 5** How is intensive distribution different from selective and exclusive distribution? What categories of firms engage in intensive distribution? Outline the pivotal role of e-commerce in maximizing the market reach, access and visibility of products and services? **12**

Q 6 Distinguish between Market Skimming; Cost Based Pricing and Penetrative Pricing Strategies? Highlight a few examples to support your answer? Briefly outline the relevance of Tender Based Pricing and Contractual Pricing under the Business to Business Framework. 12

Q 7 [Read the case and answer the questions given at the end.](#)

Hyundai Motor Company: Marketing strategies in India

HMC entered India by establishing its wholly owned subsidiary Hyundai Motors India Limited (HMIL) in 1996. Within a year of launch of its first product - Santro, HMIL had emerged as the second largest car company in India. The company's officials examined the industry trends and discussed with vendors, dealers and customers to get a thorough knowledge of the industry, and understand the competitive marketing strategies adopted by other leading car manufacturers of India. Santro received an encouraging feedback from customers who appreciated its unique design that gave more headroom and facilitated easy entry and exit. Around mid-1999, the major players realized that the 'B' segment would be the fastest growing in the car industry. To cash in, Telco re-launched its 'Indica' by introducing several new features and solving the glitches in the original model. This is the time when HMIL launched the Accent model – a model which was thundering success on account of its superior product quality, durability, fuel efficiency, sitting comfort, competitive pricing, etc. This model was a preferred option for most potential customers as buyers perceived this car as real value for money compared to the other competitive brands. However, by late 2002, the competition in the B segment had increased significantly. MUL's Alto which was launched in October 2000 had received an overwhelming response. Although HMIL's Santro remained the largest selling car in the B segment, MUL commanded the largest market share in this segment due to the combined sale of its three cars - Zen, Wagon R and Alto...and to combat competitive pressures therefore HMIL had dedicated emphasis on repositioning of Santro. In August, 2004 industry experts were expecting a reduction in Santro's price in response to the price war being waged by the market leader in India - Maruti Udyog Limited (MUL), which had reduced the price of its largest selling car in the B segment Alto by Rs 58,000 in two price cuts starting September 2003. Several dealers reported that HMIL did not reduce Santro's price as it had not adopted such tactics earlier, and this led to Alto replacing Santro as the largest selling car in the B segment in the period January to June 2004. In order to maintain its market share in the Budget car segment, HMIL launched new models such as the GETZ and the I 10, 20, 30 series. This move allowed the car manufacturer to retain its market position, and even better was that it made significant progress on

the export front, due to cost advantages, and subsequently the 10,20,30 series models were customized and designs modified for penetrating European markets. Now, with the slowdown in auto sales since early 2011 – and recent launching of budget cars by renowned auto giants like Honda, Volkswagen, etc – the competition has really intensified. This has posed immense challenges for HMIL!!!!

Questions:

- a) Examine the marketing mix of Hyundai Motors in the Indian passenger car industry. **8**
- b) Compare the marketing strategy of Hyundai with other leading players in India? **8**
