

**MBA - MARKETING/FINANCE/HR/
PRODUCTION & OPERATIONS
MANAGEMENT (MBABM)**

Term-End Examination

June, 2015

MBM-018 : ADVANCED MARKETING MANAGEMENT

Time : 3 hours

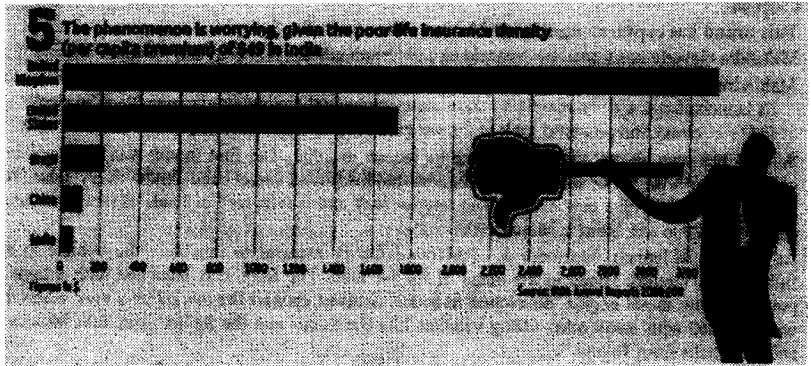
Maximum Marks : 100

Note :

- (i) *Section I is compulsory.*
- (ii) *In Section II, solve any five questions.*
- (iii) *Assume suitable data wherever required.*
- (iv) *Draw suitable sketches wherever required.*
- (v) *Italicized figures to the right indicate maximum marks.*

SECTION I

1. The life insurance industry in India is in crisis. The broad market is shrinking. Life insurance penetration in India was always low, but, worryingly enough, it has been falling even lower for two consecutive years now.



While this can be classified as an emerging market technically, rarely do emerging markets see such heated competitions as outlined in the list of companies given below.

Private Sector

- AEGON Religare Life Insurance
- Aviva Life
- Shriram Life Insurance
- Bajaj Allianz Life Insurance
- Bharti AXA Life Insurance Co Ltd
- Birla Sun Life Insurance
- Canara HSBC Oriental Bank of Commerce Life Insurance
- Star Union Dai-ichi Life Insurance
- DLF Pramerica Life Insurance

- Edelweiss Tokio Life Insurance Co. Ltd
- Future Generali Life Insurance Co. Ltd
- HDFC Standard Life Insurance Company Limited
- ICICI Prudential
- IDBI Federal Life Insurance
- IndiaFirst Life Insurance Company
- ING Vysya Life Insurance
- Kotak Life Insurance
- Max Life Insurance
- PNB MetLife India Life Insurance
- Reliance Life Insurance Company Limited
- Sahara Life Insurance
- SBI Life Insurance Company Limited
- TATA AIG Life Insurance

While an emerging market shows promise from the above information, what are the aspects of behaviour that inhibit buying of a life insurance policy ? Critically evaluate.

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2. **Case Study** - KentRO Systems Ltd is an Indian healthcare products company headquartered in Noida, Uttar Pradesh. It makes water purifiers based on the process of Reverse Osmosis (RO) purification. Over the years the company has

diversified into other products such as air purifiers, vegetable and fruit purifiers and water softeners. The company exports to SAARC countries, Middle East, Bangladesh, Nepal, and Kenya. It expects a contribution of 15% of total turnover to come from exports in the near future. The company won the Golden Peacock Eco Innovation Award for its contribution in developing innovative water purifying technology and preventing environment degradation in 2007.

Kent holds 40% MS in India.

A personal selling strategy is appropriate for high value products where the margins cover the cost of a sales force. A growth market sees a reduction in price.

- (a) Should Eureka Forbes, a competitor, redefine its pricing objectives? If yes, how? 5
- (b) Under the circumstances, how should the distribution objectives of Eureka Forbes be redefined? 5

3. Drive the Change – Case Study

Renault Duster is a robust, reliable and easy-to-drive SUV, ideal for drivers looking for a vehicle with real off-road capabilities. Depending on the market, it ships in 4×2 or 4×4 versions. All-terrain vehicles are frequently synonymous

with bulk, but Renault Duster's compact dimensions — 4.31 m long and 1.82 m wide — show that this does not have to be true. The reinforced underbody is suitable for all-track, all-terrain use, with high ground clearance of 210 mm, short overhangs (822 mm at the front, 820 mm at the rear) and big clearance angles.

In terms of active safety, Renault Duster features, depending on versions, ABS with Electronic Brakeforce Distribution (EBV) and Emergency Brake Assist (EBA).

A global success

Depending on the markets, Renault Duster features specific characteristics. Alongside a different grille design, the version for the South American market ships with exclusive cabin design and colours. In India, Duster is equipped with a separate air-conditioning system for the rear compartment with independent controls.

A real global phenomenon, Duster is built at the plants in Pitesti (Romania), Moscow (Russia), Curitiba (Brazil) and Envigado (Colombia) as well as at the Renault-Nissan Alliance site in Chennai.

This brand has captured significant Market Share from the Scorpio.

Mahindra cleverly positioned the Scorpio as a premium urban car rather than a rugged SUV. Mahindra Scorpio revolutionized the way Indians looked at Sport Utility Vehicles (SUVs). Prior to its launch, it was a given that SUVs were meant to be nothing but sturdy vehicles. The sleek, classy and powerful look of the car gave way for a new definition of SUV.

Scorpio has seen several evolutions since its launch in 2002. The first model was designed in collaboration with AVL, Austria. Subsequent modifications have been made every year. A Scorpio 'Refresh' with a new exterior and interior look and feel as well as loads of new features, emerged in 2006 and again in March, 2009.

At the time of launch, Mahindra & Mahindra (M&M) intended to introduce the vehicle in a fully-loaded version, priced in the range of ₹ 5 – 7 lakh. The SUV was launched with a high-powered turbo diesel engine, developed in-house. Scorpio entered the market at a time when it was crowded with many other utility vehicles like the Sumo and the Safari from Tata Motors, and the Qualis from Toyota.

M&M, today, has a global footprint — it is present in South Asia, West Asia, Europe (where it is known as Mahindra Goa), Africa and South America. In 2008, the Scorpio was launched in Australia, Turkey and Ghana. Earlier this month, Mahindra set up a unit in Egypt,

marking the commencement of the Scorpio's first assembly operations outside India.

The leading premium SUV in the country, Scorpio owned a 31 per cent share of the SUV and MPV (multi purpose vehicle) market at the end of the last fiscal year. Other brands in the category included Tata Safari (14 per cent), Innova (41 per cent) and Chevrolet Tavera (14 per cent).

The last two are in the MPV segment (as is M&M's latest launch, the Xylo). In 2008-09, the brand sold 29,995 units while this year, it has already sold 14,579 Scorpions between April and August, 2009.

The Duster seemingly offers more value at a lesser price as reflected in its market share. Using the concept of positioning variables answer the following :

(a) Does the situation call for a repositioning of the Scorpio or an alteration of the other elements of the marketing mix ?

$7\frac{1}{2}$

(b) Which positioning variable according to you would best suit the repositioning exercise considering that a repositioning is necessary ?

$7\frac{1}{2}$

DO NOT REHASH CASE FACTS.

SECTION II

4. What are the broad criteria that one would use for Industry and Competitive analysis? 14
 5. Given your understanding of the term "Potential Market", what are the inherent risks in entering the market at each stage of the "Market Life Cycle"? 14
 6. Why does the entire marketing program need to be positioned and not only the product/service? 14
 7. Explain in detail the differences between a product line strategy and a product mix strategy. 14
 8. Elaborate on the broad factors that would influence a marketers pricing decisions. 14
 9. What are the financial considerations you will use when chalking out a distribution strategy? 14
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