

Code: BA2T3

**I MBA - II Semester - Regular Examinations - JULY 2016**

**MARKETING MANAGEMENT**

Duration: 3 hours

Max. Marks: 70 M

**SECTION-A**

**1. Answer any FIVE of the following: 5 x 2 = 10 M**

- a. Production Concept
- b. Ansoff's Product – Market Expansion grid
- c. Probability and non-probability Samples
- d. Product Life Cycle
- e. Consumer – Adoption Process
- f. Complex Buying Behavior
- g. Corporate VMS
- h. VALS Framework

**SECTION – B**

**Answer the following: 5 x 10 = 50 M**

2. a) What are the different marketing management orientations and explain the STP model?

OR

b) Describe the environmental forces that affect the company's ability to serve customers.

3. a) Explain the stages of consumer and business buying process. Compare and contrast consumer and business markets.

OR

b) Compare and contrast undifferentiated, differentiated, concentrated and micromarketing targeting strategies. Which strategy is best? Discuss the bases for segmenting consumer and business markets.

4. a) Explain three levels of product and major brand strategy decisions in detailed.

OR

b) Name and describe the major steps in new product development process and the five stages of the product life cycle.

5. a) Explain market skimming and market penetration pricing strategies. Name and describe the five product mix pricing decisions.

OR

b) Describe the major types of vertical marketing system. Explain how channel members add value for manufacturers and consumers?

6. a) Discuss how retailers and wholesalers add value to the marketing system? Describe the major types of retailers, discuss the future of retailing.

OR

b) List and briefly describe the five major promotion mix tools and nine elements of communication process.

## SECTION – C

### 7. Case Study

1 x 10 = 10 M

When Starbucks, the Seattle-based coffee shop chain, first entered China, it faced a country of tea drinkers. Still, Japan too had been a country of tea drinkers but had evolved into a major coffee market. Starbucks itself had recently entered Japan and was already the top-ranked restaurant chain, according to a prestigious industry study. Top management at Starbucks was astounded at the firm's brand recognition across Asia, an awareness that had come about with virtually no investment in advertising.

In considering China, Starbucks noted that coffee consumption in a country is directly related to income. The firm sought to take advantage of growing disposable income in China, where per-capita income had reached \$750 a year. In particular, Starbucks believed there would be substantial demand among younger urbanites in China. Confident in their decision, the firm entered the Chinese market with plans to open ten shops in Beijing in 18 months. The first Starbucks in Beijing was located in a shopping center across the street from a five-star hotel.

Nevertheless, some were skeptical about the Starbucks move. In the 1990s, coffee sales had grown between 5 and 8 percent a year in China, but when the economy slumped in the late 1990s, many foreign expatriates left the country. Consequently, coffee sales growth had tapered off. However, Starbucks's stated strategy was to set prices lower than those of comparable coffee shops

already opened in China. These other coffee shops targeted expatriates, tourists, and elite Chinese. Starbucks hoped to target a larger segment of Chinese society.

Starbucks imported all its coffee beans into w China, despite the fact that China was attempting to improve both the quality and the size of its own coffee harvests. Other nations, such as Vietnam, had expanded coffee production. This had resulted in a world supply of coffee beans that exceeded demand by 10 percent. Furthermore, devaluation of Brazil's currency provided this major coffee exporter with an increased competitive edge over new entrants into the coffee market.

When Starbucks opened in Beijing, the store offered the same coffee products and other merchandise as was available in its U.S. shops. Prices were similar to those charged in New York City, with a grande latte priced at \$4.50. A local coffee shop in the same complex that charged prices even higher than those at Starbucks announces that it would lower prices to below those of the new U.S. competitor.

### Questions

- a) What are the possible arguments for pricings grande latte at \$4.50 in Beijing?
- b) What are the possible arguments for pricing lower or pricing higher?