

MHROD / IV Sem.

A

Course 645 – MARKETING CONCEPTS AND PRINCIPLES

Time : 3 hours

Maximum Marks : 70

(Write your Roll No. on the top immediately on receipt of this question paper.)

Attempt all five questions. Attempt all the parts of a question at one place.

- Q1) (a) What are different layers of a product? What is their relevance for formulating marketing strategy for the firm? (6)
- (b) Explain the concept of 'relationship marketing'. (6)

Or

- Q1) (a) What is meant by breadth, depth, & consistency of product mix? Explain the concept of Upward & downward product line stretching giving suitable examples. (7)
- (b) Write a note on "brand positioning". (5)
- Q2) (a) Why is it important for a marketer to understand the marketing environment? Giving suitable examples discuss various elements which a marketer needs to take into account while analyzing the socio-cultural environment. (8)
- (b). Services marketing requires an extended marketing mix. Explain. (4)

OR

- Q2)(a) Briefly outline the factors that should be considered in the selection of distribution channels. (6)
- (b) What is consumer behavior? Explain the model of consumer buying behavior & discuss the various factors affecting consumer buying behavior with the help of suitable examples. (6)
- Q3 (a) What is 'Psychological pricing'? Enumerate the factors that affect pricing decisions of a firm. (6)
- (b)(i) What is Product Life Cycle? What is its significance to marketers?
- (ii) Briefly mention the Stages of Product Lifecycle.
- (iii) Discuss the strategies that a firm can adopt to increase the sale of its products during the maturity stage of PLC. (3)

OR

- Q3) A popular cosmetic manufacturing company wants to launch a range of soaps, shampoos, and face wash. Should the co. use brand extension as a strategy? Some critics denounce the practice of brand extension as they claim it leads to brand dilution and lack of focus on the part

of the co. in question. Others feel that this strategy is a critical growth strategy and a source of revenue for the firm. Comment. What are other factors to be considered by the co. while launching a new product line regarding the marketing logistics for soaps etc.? (9+5)

Q4) Write notes on any **four** of the following: (16)

- i) CRM
- ii) Holistic Marketing Approach & Its Components
- iii) Brand revitalisation
- iv) Marketing vs. Selling
- v) Product Differentiation

Q5) Case Study

Nokia - Made in India

In April 2005, Nokia India, a subsidiary of inland-based Nokia, announced that it was setting up a manufacturing facility for mobile devices in Chennai, the state capital of Tamil Nadu in southern India. Nokia planned to invest US\$ 100-150 million in the facility, where the production was expected to begin in the first half of 2006.

Pekka Ala-Pietilä, President and Head of Customer & Market Operations, Nokia Corporation said, "Establishing a new factory in India is an important step in the continuous development of our global manufacturing network." India was ideal for Nokia's new production facility. Each mobile handset has more than 400 parts and the average production capacity of each manufacturing unit of Nokia is around 20 million units.

This level of manufacturing involves a total of 8 billion components per annum, requiring strong logistical support. Nokia's manufacturing facility needed to be located close to a major international airport or sea port for quick supply of components. India met all these requirements, and also enjoyed cheap manpower costs and proximity to the rapidly growing Asia Pacific markets.

The Indian Mobile Phones Industry

The mobile phones industry made a slow start in India in 1995. Several private players who had entered the industry in 1995 exited in the next few years due to the unfriendly telecom policies of the Indian government, high licensing fees and absence of a proper telecom regulatory body. The growth in the subscriber base of mobile phones remained sluggish initially, reaching the 1 million milestones in 1998. In 1999, the Government of India announced a new telecom policy. This policy planned to provide telephones on demand by 2002.

Among other things, the policy allowed unrestricted private entry into almost all mobile service sectors. The government allowed cellular mobile service providers to share infrastructure with other operators. It also allowed existing operators to migrate from fixed license fee to one-time entry fee with revenue sharing. This policy helped many private operators to break even faster. By 2001, the demand for mobile services was growing well. The private companies concentrated

on providing basic telephone services to consumers. The number of mobile phones crossed five million by 2001 and doubled to 10 million in 2002.

The Problems

In spite of its strong marketing, Nokia's problems at the global level had an impact on the company's Indian venture. Globally, Nokia had been experiencing tough times with revenues falling to 29 billion euros in 2004 from 32 billion euros in 2001. The company's operating profits decreased from 5 billion euros in 2003 to 4.3 billion euros in 2004.

Bouncing Back

Nokia was quick to learn from its mistakes and adopted strategies to regain its lost market share. Globally, during the first quarter of 2005, the company's sales reached 7.4 billion euros, with the company selling 54 million phones during the period. In India, Nokia continued its leadership in GSM with a market share of 74% in March 2005. Nokia also surpassed Samsung in color mobiles in the GSM segment, recording a share of 55% in the same month. Nokia reorganized itself at the global level in 2004. At this point, a multimedia division was formed.

The division's Indian operations concentrated on promoting the concept of high-end telephones in smaller towns while going in for higher volumes in larger cities. The marketing division of the company concentrated on making distributors in small towns to sell high-end products. Though, the distributors were skeptical to start with, by the end of 2004, the process was streamlined and the results started to show.

The Nokia's mastery of logistics compares to that of the Dell Corporation, based on its ability to supply the right product at the right time. It exhibits an "apple-like flair" for designing the most consumer friendly devices that meld form and function. Nokia has vision for uncovering growth opportunities beyond just supplying phones. It also offers entertainment and communication services. In order to get consumers excited about using multi-media messaging to send and receive graphics and photographic images, there must be ubiquity. Where one person is connected to a network that enables him/her to receive messages, there must be collaboration among the industry to ensure inter-operability, and connectivity with PCs.

In light of these facts:

1. Discuss the two areas of market development being pursued by Nokia to stimulate growth.
2. Why is Nokia characterized as "a little bit Apple, a little bit Dell"? Elucidate.
3. What challenges does Nokia face in stimulating growth of its cellular phones?
4. What type of services does Nokia plan to introduce in order to stimulate growth?

4×4=16